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REGULATORY AUTH.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

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EXECUTIVE SECRETARY

IN RE: PETITION OF MCI WORLDCom TO)
ENFORCE INTERCONNECTION)
AGREEMENT WITH BELLSouth)

Docket No. 99-0066 2

**PETITION OF MCI WORLDCom TO ENFORCE INTERCONNECTION
AGREEMENT WITH BELLSouth**

MCI WorldCom, Inc. ("MCI WorldCom") petitions the Tennessee Regulatory Authority ("TRA" or "the Authority") to enforce the interconnection agreement between MCImetro Access Transmission Services, Inc. ("MCImetro") and BellSouth Telecommunications, Inc. ("BST" or "BellSouth") concerning the payment of compensation for the termination of local telephone calls made to Internet service providers ("ISPs").

INTRODUCTION

MCImetro Access Transmission Services, Inc.¹ and BST signed an interconnection agreement (the "Agreement") on April 4, 1997. See Appendix A, attached.² The Agreement, which was approved by the TRA in an Order dated May 30, 1997 (Docket 97-00445), requires

¹ MCImetro Access Transmission Services, Inc, known today as MCImetro, is an affiliate of MCI WorldCom. For simplicity, this complaint will hereafter refer to MCImetro as MCI WorldCom.

² Appendix A is a copy of relevant portions of the Agreement, *i.e.*, Section A (general terms), Section B (definitions), Attachment I (price list) and Attachment IV (interconnection provisions).

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each party to compensate the other for the termination of local exchange traffic. BellSouth, however, has refused to pay MCI WorldCom for handling local calls made to ISPs. This is a proceeding to enforce that Agreement.

The TRA is familiar with this issue. In *Petition of Brooks Fiber to Enforce Interconnection Agreement and for Emergency Relief*,³ the Authority held that a similar agreement between BellSouth and Brooks Fiber obligated BellSouth to pay for local calls to ISPs. Interpreting the term “Local Traffic” as used in the Brooks Fiber agreement, the agency held that, “[b]ased on the long-standing position of the [Federal Communications Commission] that existed years before execution of the Interconnection Agreement, . . . the term ‘Local Traffic’ as used in the reciprocal compensation arrangement of the Interconnection Agreement at issue, includes, as a matter of law, calls to ISPs.” Initial Order, at 19.

Although the TRA recognized that the FCC might, at a later date, modify its position concerning local calls to ISPs, the Authority found that the Brooks Fiber interconnection agreement, signed in September, 1996, “was negotiated and entered into under the existing law of the FCC.” *Id.*, at 11. Therefore, the agency concluded, the meaning of “Local Traffic” in the Brooks Fiber agreement should be interpreted in light of “the state of the law as it existed at the time” when the agreement was signed. *Id.*

After much delay, the FCC, on February 26, 1999, finally addressed the reciprocal compensation issue. While acknowledging its “longstanding policy of treating this traffic as

³ Docket No. 98-00118, Initial Order issued April 21, 1998; Final Order issued June 2, 1998. Appeal pending, *BellSouth v. Brooks Fiber, et al.*, in the Middle District of Tennessee, Case No. 3-98-0811.

local,” the FCC nevertheless declared that “ISP-bound traffic is jurisdictionally mixed and appears to be largely interstate.” *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, FCC 99-38, opinion released February 26, 1999, paragraphs 24 and 1 (hereafter referred to as the FCC’s Declaratory Ruling). Nevertheless, the agency emphasized that, until such time as the FCC issues a federal rule regarding appropriate compensation for this traffic, the parties “should be bound by their existing interconnections agreement as interpreted by state commissions.” *Id.*, at paragraph 1.

Later, in the same opinion, the FCC reiterated, “We have no reason to interfere with state commission findings as to whether reciprocal compensation provisions of interconnection agreements apply to ISP traffic, pending adoption of a rule establishing an appropriate interstate compensation mechanism.” *Id.*, at paragraph 21. If state agencies found that existing agreements were ambiguous, the FCC suggested criteria by which state regulators might determine whether parties to an existing interconnection agreement had intended to treat ISP-bound traffic in the same manner as other local calls (*Id.*, at paragraph 24):

[I]t may be appropriate for state commissions to consider such factors as [1] whether incumbent LECs serving ESPs (including ISPs) have done so out of intrastate or interstate tariffs; [2] whether revenues associated with those services were counted as intrastate or interstate revenues; [3] whether there is evidence that incumbent LECs or CLECs made any effort to meter this traffic or otherwise segregate it from local traffic, particularly for the purpose of billing one another for reciprocal compensation; [4] whether, in jurisdictions where incumbent LECs bill their end users by message units, incumbent LECs have included calls to ISPs in local telephone charges; and [5] whether, if ISP traffic is not treated as local and subject to reciprocal compensation, incumbent LECs and CLECs would be compensated for this traffic.

Here, as in the *Brooks Fiber* case, BellSouth is obligated by contract to pay compensation for "Local Traffic," which is defined in the Agreement as any call "that originates in one exchange and terminates in either the same exchange, or in a corresponding Extended Area (EAS) exchange." See paragraph 7, *infra*.⁴ Based on that language and the TRA's decision in *Brooks Fiber*, MCI WorldCom is entitled to compensation for local calls to ISPs. But even if the Agreement were ambiguous, the factors suggested by the FCC lead to the same conclusion. As this proceeding will demonstrate, BellSouth (1) offers local exchange service to ISPs from BST's intrastate tariffs (2) allocates costs and revenues associated with ISP service to the intrastate jurisdiction (3) does not, (or did not) meter or otherwise separate local calls to ISP from other local traffic for purposes of inter-carrier billing, (4) counts ISP minutes as local traffic when billing customers for local measured service, and (5) would, in the absence of a reciprocal compensation requirement, not pay anything to MCI WorldCom for terminating calls to an ISP.

In light of these circumstances and the plain language of the MCI WorldCom agreements, the TRA's conclusion in the *Brooks Fiber* case is still compelling (Initial Order, at 20-21):

The Interconnection Agreement does not designate calls made to ISPs as non-local traffic . . . As this was a negotiated agreement, if BellSouth had desired to expressly exclude calls made to ISPs from the reciprocal compensation arrangement, it could easily have done so. Having chosen not to do so, this Authority should not serve as the conduit through which BellSouth is allowed to circumvent

⁴ In the *Brooks Fiber* case, "Local Traffic" was defined as "any telephone call that originates and terminates in the same LATA and is billed by the originating carriers as a local call." Initial Order, pp. 16-17.

and/or modify contractual obligations which it entered into voluntarily.

Nothing in the FCC's February 26 Order alters the logic or should affect the result of the TRA's decision in *Brooks Fiber*. The Agreement between MCI WorldCom and BellSouth was negotiated and agreed to prior to the FCC's Declaratory Ruling. Therefore, under the "state of the law as it existed at the time" (Initial Order, at 11), the agency's decision in *Brooks Fiber* requires that similar relief be granted to MCI WorldCom.

JURISDICTION

1. This Petition is filed under T.C.A. §§ 65-4-119 and 65-4-124, and under 47 U.S.C. § 252 (e).

2. T.C.A. § 65-4-119 authorizes the TRA staff to "investigate, hear, and whenever possible, adjust any individual or general complaint" regarding any public utility under the TRA's jurisdiction. If the staff cannot resolve the matter, it must be referred to the TRA for a formal hearing.

3. T.C.A. § 65-4-124 gives the TRA both the power and the duty to insure that telecommunications carriers "provide non-discriminatory interconnection to their public network under reasonable terms and conditions."

4. MCI WorldCom and BellSouth have signed an interconnection agreement which was approved by the TRA, pursuant to Section 252(e) of the Federal Telecommunications Act of 1996. As the TRA held in *Brooks Fiber* (Initial Order at 12):

Having been authorized to review and either approve or reject such agreements under the Act, it necessarily follows that the TRA has

the authority to enforce the interconnection agreements that it approves.

THE PARTIES

5. MCI WorldCom (*i.e.* MCImetro) is a competing telecommunications carrier certified to provide local exchange telephone service in Tennessee. Correspondence regarding this complaint should be sent to the Petitioners' attorneys:

Henry Walker
BOULT, CUMMINGS, CONNERS & BERRY, PLC
NationsBank Building
414 Union Street, Suite 1600
Nashville, TN 37219
Tel: (615) 252-2363

and

Susan Berlin
MCI WORLDCOM
Concourse Corporate Center Six
6 Concourse Parkway, Suite 3200
Atlanta, GA 30328
Tel: (888) 823-9658

6. BellSouth is an incumbent, local exchange telephone carrier authorized to provide telecommunications service in Tennessee under the jurisdiction of the TRA.

THE INTERCONNECTION AGREEMENT

7. The Agreement between MCI WorldCom and BellSouth, like the agreement between BellSouth and Brooks Fiber, obligates each carrier to compensate the other for the

termination of "Local Traffic." The relevant sections of the Agreement between MCI WorldCom and BellSouth are set forth below:

a. Attachment IV to Part C of the Agreement is titled "Interconnection." (A copy of Attachment IV is appended to this complaint.) Section 2.2 of that Attachment, called "Compensation for Call Traffic Transport and Termination," states as follows:

2.2.1 The Parties shall bill each other reciprocal compensation at the rates set forth for Local Interconnection in this Agreement and the Order of the TRA. Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or a corresponding Extended Area (EAS) exchange. The terms Exchange and EAS exchanges are defined and specified in Section A3 of BellSouth's General Subscriber Service Tariff.⁵

b. Attachment I to Part C, called "Price Schedule," includes a table setting forth "Tennessee Rates for Unbundled Network Elements." See Appendix A. According

⁵ Section A3 of BellSouth's General Subscriber Service Tariff does not appear to contain definitions for "Exchange" and "EAS" exchanges. Instead, section A3.6.1 contains lists of "Exchanges" and "Additional Exchanges." According to this section, "[t]he rates specified in A3.7.1 following entitle subscribers to access all stations bearing the central office designations of additional exchanges as shown following. The local calling area of the exchange in the left-hand column also includes the exchanges listed in the right-hand column." Section A3.6.1 then contains a list of exchanges and additional exchanges in two columns.

Section A1 of BellSouth's General Subscriber Services Tariff, however, does contain definitions for "Exchange" and "Extended Area Service." The tariff defines "Exchange" as the "entire plant and facilities used in providing telephone service to subscribers located in an Exchange Service Area." In turn, the tariff defines "Exchange Service Area" as the "territory, including the base rate, suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area." The tariff also defines "Extended Area Service" as a "type of telephone service furnished under tariff provisions whereby subscribers of a given exchange may complete calls to and, where provided by the tariff, receive messages from one or more exchanges without application of Long Distance Message Telecommunications charges."

to Attachment I, page 5, the rate for terminating a local call is \$0.0050 per minute for interconnection through a tandem or \$0.0040 per minute for interconnection directly to an end office.

c. Section A of the Agreement, Section 31, entitled "Entire Agreement," (see Appendix A) states:

This Agreement, including all Parts and Attachments and subordinate documents attached hereto or referenced herein, all of which are hereby incorporated by reference herein, constitute the entire matter thereof, and supersede all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.

OTHER COMMISSION DECISIONS IN BELL SOUTH TERRITORY

9. In addition to Tennessee, four other states in the BellSouth region have addressed the reciprocal compensation issue, two since the issuance of the FCC's *Declaratory Order*. All four have ruled that the interconnection agreements signed by BellSouth require payment of reciprocal compensation for ISP-bound traffic.

10. Shortly after the FCC's Declaratory Ruling, the Florida Public Service Commission ("Florida PSC"), resolved a dispute between e.spire Communications, Inc. and BellSouth over the same issue presented in this case. Analyzing the evidence in light of the FCC's Declaratory Ruling as well as its own earlier decisions, the Florida PSC held that:

ISP traffic is included in the definition of "local traffic" as that term is defined in the Interconnection Agreement between BellSouth and e.spire. The preponderance of the evidence does not show that either party intended to exclude ISP traffic from the definition of

“local traffic” during the negotiation of their Interconnection Agreement.⁶

11. In another decision announced after the FCC’s ruling, the Alabama PSC ordered BellSouth to pay compensation for ISP traffic in a case involving an interconnection agreement substantially the same as the agreements here.⁷ The Alabama Commission concluded:

We again emphasize that the prevailingly local treatment of ISP traffic detailed above were also in place at the time the interconnection agreements under review herein were entered. We thus conclude that the industry custom and usage at that time dictated that ISP traffic be treated as local and, therefore, subject to reciprocal compensation.

Given the comprehensive nature of the interconnection agreements under review and the specificity with which they address virtually all interconnection issues, we find it difficult to fathom that BellSouth would not insist on a specific, itemized exception excluding ISP traffic from the definition of local traffic had that been its intention. The prevailingly local treatment afforded to ISP traffic by industry participants at the time the agreements under review were entered, and BellSouth’s knowledge of that industry custom and usage, made it imperative that BellSouth specifically exclude calls to ISPs from the definition of local traffic subject to the payment of reciprocal compensation. Given the circumstances then existing, we find the absence of such a specific exclusion or exception to be persuasive of the fact that BellSouth did not intend to exclude ISP traffic from the definition of local traffic when it entered the agreements in question.⁸

⁶ *In re Request for Arbitration Concerning Complaint of American Communication Services of Jacksonville, Inc., d/b/a e.spire Communications, Inc. and ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. Against BellSouth Telecommunications, Inc. Regarding Reciprocal Compensation for Traffic Terminated to Internet Service Providers*, Docket No. 981008-TP, Order Resolving Complaint (Fla. P.S.C., April 6, 1999).

⁷ *See, In Re: Emergency Petitions of ICG Telecom Group, Inc. And ITC Deltacom Communications, Inc. For a Declaratory Ruling*, Alabama P.S.C., Docket No. 26619 (March 4, 1999) (“Alabama Decision”), *appeal pending*, Case No. CV-99-D-287-N (M.D. Ala).

⁸ *Alabama Decision* at 25 - 26.

12. Shortly before the filing of this complaint, the Alabama Commission's decision on reciprocal compensation was affirmed by the United States District Court for the Middle District of Alabama. *BellSouth v. ITC Deltacom, et al.*, civil action 99-0-287-N, opinion issued August 18, 1999. Reviewing *de novo* the legal conclusions of the Alabama Commission, the District Court found the agency's decision consistent with both federal law and the FCC's Declaratory Ruling. The Court also found that it was not arbitrary or capricious for the Alabama Commission to conclude that, at the time the interconnection agreement was signed, the parties intended that local calls to ISPs be treated no differently than other local traffic.

13. Prior to the FCC's Declaratory Ruling, the Florida PSC had issued a decision enforcing an interconnection agreement between BellSouth and MFS.⁹ In language and logic, the Florida decision is very similar to this Authority's decision in *Brooks Fiber*. The Florida PSC first observed that the case was, at bottom "a contract dispute between the parties and that is the foundation of our decision below."¹⁰ Assessing the agreements and the evidence, the Florida PSC concluded unequivocally that the interconnection agreement between MFS/WorldCom and BellSouth:

defines local traffic in such a way that ISP traffic clearly fits the definition. Since ISP traffic is local under the terms of the Agreement, then, a priori, reciprocal compensation for termination is required under Section 5.8 of the Agreement. There is no

⁹ *In re: Complaint of WorldCom Technologies, Inc. Against BellSouth Telecommunications, Inc. For Breach of Terms of Florida Parial Interconnection Agreement Under Sections 251 and 252 of the Telecommunications Act of 1996 and Request for Relief*, Docket No. 971478-TP, Final Order Resolving Complaints (Fla. P.S.C. Sept. 15, 1998) ("*Florida Decision*"); *appeal pending*, Civil Action No. 4:98 CV 352-WS (N.D.Fla).

¹⁰ *Florida Decision* at 4.

ambiguity, and there are no specific exceptions for ISP traffic.¹¹

14. In its decision, the Florida PSC considered and rejected the same arguments that BellSouth made to this Authority in the Brooks Fiber case and specifically addressed BellSouth's argument that an FCC determination that ISP-bound traffic was interstate would dispose of this contract dispute. In that regard, the Florida PSC concluded:

Regardless of what the FCC ultimately decides, it has not decided anything yet, and we are concerned here with an existing interconnection agreement, executed by the parties in 1996. *Our finding that ISP traffic should be treated as local for purposes of the subject interconnection agreement* is consistent with the FCC's treatment of ISP traffic at the time the agreement was executed, all pending jurisdictional issues aside.¹²

15. As further evidence of the intent of the parties at the time the agreement was entered, the Florida PSC noted that:

BellSouth charges its own ISP customers local business line rates for local telephone exchange service Such calls are rated and billed as local, not toll. . . . BellSouth also offers its own ISP customers service out of its local exchange tariffs. . . . "[T]here is nothing in the parties' agreements that addresses the practical aspect of how to measure the traffic."¹³

16. Concluding on the evidence that all parties intended calls originating by an end-user of one LEC and terminating at an ISP served by another LEC would be rated and billed as local, the Florida PSC criticized BellSouth for changing the deal just because it didn't like the

¹¹ *Id.* at 7.

¹² *Id.* at 8; emphasis added.

¹³ *Id.* at 16.

outcome:

BellSouth's conduct subsequent to the Agreement was for a long time consistent with the interpretation of [the definition of local traffic] urged by WorldCom. A party to a contract cannot be permitted to impose unilaterally a different meaning than the one shared by the parties at the time of execution when it later becomes enlightened or discovers an unintended consequence.¹⁴

OTHER JUDICIAL AND REGULATORY DECISIONS

17. As the TRA is aware,¹⁵ many other state regulatory agencies and courts outside the BellSouth region have also addressed the reciprocal compensation issue, both before and after the FCC's Declaratory Ruling. The overwhelming majority of these decisions agree with the TRA's ruling in *Brooks Fiber* that compensation must be paid for calls to ISPs. Attached to this compliant (Appendix B) is a state-by-state summary of those decisions in other jurisdictions.

REQUESTED RELIEF

18. MCI WorldCom asks that the TRA open a contested case proceeding based on this complaint and, following such hearings or procedures to which the parties may be entitled, order BellSouth to pay MCI WorldCom for terminating local calls to ISP locations in accordance

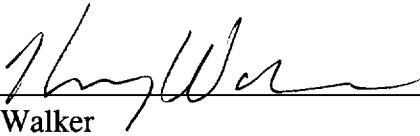
¹⁴ *Id.* at 19. See also, *In the Matter of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and MCI WorldCom of North Carolina, L.L.C.*, Order Concerning Reciprocal Compensation For ISP Traffic, Docket No. P-55, Sub 1027 (N.C.Util.Comm. Feb. 26, 1998); *appeal dismissed*, Civil Action No. 3:98CV170H (W.D.N.C.); and *Complaint of e.spire Communications, Inc. Against BellSouth Telecommunications, Inc.* Docket No. 9281-U, Order Affirming and Modifying the Hearing Officer's Decision (Ga. P.S.C., March 3, 1999).

¹⁵ See, *eg.*, *Petition of US LEC to Enforce Interconnection Agreement with BellSouth*, TRA Docket No. 99-00567, filed August 6, 1999, now pending before this agency.

with the interconnection agreements signed by the parties, including the payment of appropriate late penalties, and to grant MCI WorldCom such other relief to which it may be entitled.

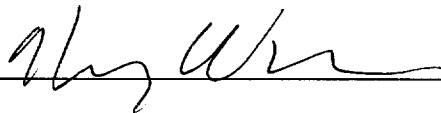
Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, Tennessee 37219
Tel: (615) 252-2363
FAX: (615) 252-6363

CERTIFICATE OF SERVICE

I certify that a copy of this Complaint has been delivered by first class mail to Guy Hicks, counsel for BellSouth Telecommunications, Inc., this 9th day of September, 1999.



BellSouth Telecommunications, Inc. 615 214-6301
Suite 2101 Fax 615 214-7406
333 Commerce Street
Nashville, Tennessee 37201-3300

 **BELLSOUTH**

Guy M. Hicks
General Counsel

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APR 7 1997
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

97-00445

Re: *Approval of Interconnection Agreement Between MCI Telecommunications Corporation and BellSouth Telecommunications, Inc.*

Dear Mr. Waddell:

On Friday, April 4, 1997 BellSouth Telecommunications, Inc. ("BellSouth") and MCI Telecommunications Corporation ("MCI") executed an Interconnection Agreement that will govern the relationship between BellSouth and MCI as the companies set forth to provide local exchange service on a competitive basis in the state of Tennessee. In accordance with the Tennessee Regulatory Authority ("TRA") Final Order of Arbitration Awards, entered on March 7, 1997, BellSouth and MCI enclose for filing the original and 13 copies of their signed Interconnection Agreement. It is intended that the Agreement will become effective upon approval by the TRA.

The Agreement contains the numerous provisions that were successfully negotiated between the parties, in addition to certain provisions that reflect the decisions of the TRA acting as arbitrators pursuant to section 252 of the Act. In executing this Agreement, BellSouth and MCI do not waive any further recourse they may have as a result of the decisions of the TRA.

Should BellSouth or MCI appeal the arbitration decisions of the TRA, the decision of the federal court may require modification to the executed contract. Both parties have contemplated such modifications in the inclusion of Section 34 of the Agreement.

Please stamp and return two copies to me for my files. Copies are being served upon Jon Hastings for MCI. Thank you for your assistance in this matter.

Very truly yours,


Guy M. Hicks

GMH:ch
cc: Charles Howorth
Jon Hastings, Esquire

MCImetro-BellSouth Tennessee Interconnection Agreement

MCImetro/BellSouth INTERCONNECTION AGREEMENT

This Interconnection Agreement (the "Agreement"), effective [insert date], 199__ (the "Effective Date"), is entered into by and between BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, and MCImetro Access Transmission Services, Inc. ("MCIm"), a Delaware corporation, to establish the rates, terms and conditions for interconnection, local resale, ancillary services and purchase of unbundled network elements (individually referred to as the "service" or collectively as the "services").

WHEREAS, the parties wish to interconnect their local exchange networks in a technically and economically efficient manner for the transmission and termination of calls ("Interconnection"); and

WHEREAS, MCIm wishes to purchase Telecommunications Services for resale to others ("Local Resale" or "Services for Resale"), and BellSouth is willing to provide such service pursuant to the terms and conditions of this Agreement; and

WHEREAS, MCIm wishes to purchase on an unbundled basis Network Elements, and BellSouth is willing to provide such services; and

WHEREAS, MCIm wishes to purchase ancillary services such as access to poles, ducts conduits and rights of way and collocation of equipment at BellSouth's facilities on the terms and subject to the conditions of this Agreement; and

WHEREAS, the parties intend the rates, terms and conditions of this Agreement, and their performance of obligations thereunder, to comply with the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act"), the applicable Rules and Regulations of the Federal Communications Authority ("FCC") in effect, and the orders, rules and regulations of the state regulatory body.

Now, therefore, in consideration of the terms and conditions contained herein, BellSouth and MCIm hereby mutually agree as follows:

PART A GENERAL TERMS AND CONDITIONS

Section 1. Scope of this Agreement

1.1 This Agreement, including Parts A, B, and C, specifies the rights and obligations of each party with respect to the purchase and sale of Interconnection, Local Resale, Network Elements and ancillary services. This PART A sets forth the general terms and conditions governing this Agreement. Certain terms used in this Agreement shall have the meanings defined in PART B – DEFINITIONS, or as otherwise elsewhere defined throughout this Agreement. Other terms used but not defined herein will have the meanings ascribed to them in the Act and the applicable FCC Rules and Regulations in effect. PART C sets forth, among other things, descriptions of the services, pricing, technical and business requirements, and physical and network security requirements.

LIST OF ATTACHMENTS COMPRISING PART C:

- I. Price Schedule
- II. Local Resale
- III. Network Elements
- IV. Interconnection
- V. Collocation
- VI. Rights of Way
- VII. Number Portability
- VIII. Business Process Requirements
- IX. Security Requirements
- X. Credits for Performance Standards Failures

1.2 BellSouth shall provide the services pursuant to this Agreement. Except as provided below, BellSouth shall not discontinue or refuse to provide any service provided or required hereunder without MCIm's prior written agreement. Such agreement shall not be unreasonably withheld. BellSouth shall not discontinue any telecommunications service available for resale unless BellSouth provides MCIm prior written notice of its intent to discontinue any such service. BellSouth agrees to make any such service available to MCIm for resale to MCIm customers who are subscribers to such services from MCIm until the date BellSouth discontinues any such service for BellSouth's customers. BellSouth also agrees to adopt a reasonable, nondiscriminatory transition schedule for BellSouth and MCIm customers who may be purchasing any such service.

MCImetro-BellSouth Tennessee Interconnection Agreement

Section 2. Regulatory Approvals

2.1 This Agreement, and any amendment or modification hereof, will be submitted to the state regulatory body for approval in accordance with Section 252 of the Act. Should the state regulatory body deny approval of the Agreement or any part thereof, the parties agree to consider whether any additional and appropriate judicial or administrative efforts are necessary to gain approval of said part or Agreement. If it is mutually determined that the part or Agreement must be renegotiated to gain approval by the state regulatory body, the parties agree to do so on an expedited basis. If the parties fail to reach agreement, either party may seek resolution pursuant to Section 23 (Dispute Resolution Procedures) of this Agreement.

2.2 In the event the FCC or the State regulatory body promulgates rules or regulations, or issues orders, or a court with appropriate jurisdiction issues orders, which make unlawful any provision of this Agreement, the parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which are consistent with such rules, regulations or orders. In the event the parties cannot agree on an amendment within thirty (30) days from the date any such rules, regulations or orders become effective, then the parties shall resolve their dispute under the applicable procedures set forth in Section 23 (Dispute Resolution Procedures) hereof.

2.3 In the event BellSouth is required by any governmental authority to file a tariff or make another similar filing ("Filing") in order to implement this Agreement, BellSouth shall (i) consult with MCIm reasonably in advance of such Filing about the form and substance of such Filing, (ii) provide to MCIm its proposed tariff and obtain MCIm's agreement on the form and substance of such Filing, and (iii) take all steps reasonably necessary to ensure that such Filing imposes obligations upon BellSouth that are no less favorable than those provided in this Agreement and preserves for MCIm the full benefit of the rights otherwise provided in this Agreement. In no event shall BellSouth file any tariff to implement this Agreement that purports to govern the services provided hereunder that is inconsistent with the rates and other terms and conditions set forth in this Agreement unless such rate or other terms and conditions are more favorable than those set forth in this Agreement.

2.4 In the event that any final and nonappealable legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of MCIm or BellSouth to perform any material

MCImetro-BellSouth Tennessee Interconnection Agreement

terms of this Agreement, or in the event a judicial or administrative stay of such action is not sought or granted, MCI or BellSouth may, on thirty (30) days written notice (delivered not later than thirty (30) days following the date on which such action has become legally binding and has otherwise become final and nonappealable) require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the dispute shall be resolved in accordance with Section 23 (Dispute Resolution Procedures) of this Agreement.

2.5 The parties intend that any additional services requested by either party relating to the subject matter of this Agreement will be incorporated into this Agreement by amendment.

Section 3. Term of Agreement

This Agreement shall become binding upon execution by the parties and continue for a period of 3 years, unless earlier terminated in accordance with Section 20 (Termination). No later than 180 days prior to the expiration of this Agreement, the parties agree to commence negotiations with regard to the terms, conditions and prices of a follow on agreement for the provision of services to be effective on or before the expiration date of this Agreement ("Follow-on Agreement"). The Parties further agree that any such Follow-on Agreement shall be for a term of no less than three years unless the Parties agree otherwise.

If, within 135 days of commencing the negotiation referenced above, the Parties are unable to satisfactorily negotiate new terms, conditions and prices, either Party may petition the State regulatory body to establish an appropriate Follow-on Agreement pursuant to 47 U.S.C. §252. The Parties agree that in such event they shall encourage the State regulatory body to issue its order regarding such Follow-on Agreement no later than the expiration date of this Agreement. The Parties further agree that in the event the State regulatory body does not issue its order by the expiration date of this Agreement or if the Parties continue beyond the expiration date of this Agreement to negotiate without State regulatory body intervention, the terms, conditions and prices ultimately ordered by the State regulatory body, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement. Until the Follow-on Agreement becomes effective, BellSouth shall provide Services pursuant to the terms, conditions and prices of this Agreement that are then in effect.

Section 4. Charges and Payment

MCImetro-BellSouth Tennessee Interconnection Agreement

In consideration of the services provided by BellSouth under this Agreement, MCIm shall pay the charges set forth in Attachment I. The billing and payment procedures for charges incurred by MCIm hereunder are set forth in Attachment VIII.

Section 5. Assignment and Subcontract

5.1 Any assignment by either party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other party shall be void. A party may assign this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate company of the party without the consent of the other party. All obligations and duties of any party under this Agreement shall be binding on all successors in interest and assigns of such party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

5.2 If any party's obligation under this Agreement is performed by a subcontractor or affiliate, the Party subcontracting the obligation nevertheless shall remain fully responsible for the performance of this Agreement in accordance with its terms, and shall be solely responsible for payments due its subcontractors or affiliates. No subcontractor or affiliate shall be deemed a third party beneficiary for any purposes under this Agreement.

Section 6. Compliance with Laws

All terms, conditions and operations under this Agreement shall be performed in accordance with all applicable laws, regulations and judicial or regulatory decisions of all duly constituted governmental authorities with appropriate jurisdiction, and this Agreement shall be implemented consistent with the applicable rules and regulations of the FCC and the state regulatory body in effect. Each party shall be responsible for obtaining and keeping in effect all FCC, state Authority, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. In the event the basis for this Agreement (e.g., the Act, FCC Rules and Regulations, orders of the state regulatory body) is held to be invalid or changed for any reason, this Agreement shall survive, and the parties shall promptly renegotiate any provisions of this Agreement, which in the absence of such invalidated or changed Act, Rule or Regulation are insufficiently clear to be effectuated.

MCImetro-BellSouth Tennessee Interconnection Agreement

Section 7. Governing Law

This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the state of Tennessee, without regard to its conflicts of laws principles.

Section 8. Relationship of Parties

Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations.

Section 9. No Third Party Beneficiaries

The provisions of this Agreement are for the benefit of the parties hereto and not for any other person. This Agreement shall not provide any person not a party hereto with any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing without reference hereto.

Section 10. Intellectual Property Rights and Indemnification

10.1 Any intellectual property which originates from or is developed by a party shall remain in the exclusive ownership of that party. Except for a limited license to use patents or copyrights to the extent necessary for the parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a party, is granted to the other party or shall be implied or arise by estoppel. It is the responsibility of each party to ensure at no additional cost to the other party that it has obtained any necessary licenses in relation to intellectual property of third parties used in its network that may be required to enable the other party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

10.2 The party providing a service pursuant to this Agreement will defend the party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving party of such service and will indemnify the receiving party for any damages awarded based solely on such claims in accordance with Section 11 of this Agreement.

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10.3 In the event that use of any facilities or equipment (including software), becomes or, in reasonable judgment of the party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said party shall promptly and at its sole expense, but subject to the limitations of liability set forth below:

(i) modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or (ii) obtain a license sufficient to allow such use to continue. In the event (i) or (ii) are commercially unreasonable, then said party may, (iii) terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.

10.4 Neither party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.

10.5 The foregoing shall constitute the parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

Section 11. Limitation of Liability and Indemnification

11.1. Liability Cap.

11.1.1 With respect to any claim or suit, whether based in contract, tort or any other theory of legal liability, by MCIm, any MCIm customer or by any other person or entity, for damages associated with any of the services provided by BellSouth pursuant to or in connection with this Agreement, including but not limited to the installation, provision, preemption, termination, maintenance,

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repair or restoration of service, and subject to the provisions of the remainder of this Section, BellSouth's liability shall be limited to an amount equal to the proportionate charge for the service provided pursuant to this Agreement for the period during which the service was affected. Notwithstanding the foregoing, claims for damages by MCIm, any MCIm customer or any other person or entity resulting from the gross negligence or willful misconduct of BellSouth and claims for damages by MCIm resulting from the failure of BellSouth to honor in one or more material respects any one or more of the material provisions of this Agreement shall not be subject to such limitation of liability.

11.1.2 With respect to any claim or suit, whether based in contract, tort or any other theory of legal liability, by BellSouth, any BellSouth customer or by any other person or entity, for damages associated with any of the services provided by MCIm pursuant to or in connection with this Agreement, including but not limited to the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of the remainder of this Section, MCIm's liability shall be limited to an amount equal to the proportionate charge for the service provided pursuant to this Agreement for the period during which the service was affected. Notwithstanding the foregoing, claims for damages by BellSouth, any BellSouth customer or any other person or entity resulting from the gross negligence or willful misconduct of MCIm and claims for damages by BellSouth resulting from the failure of MCIm to honor in one or more material respects any one or more of the material provisions of this Agreement shall not be subject to such limitation of liability.

11.2 Neither party shall be liable for any act or omission of any other telecommunications company to the extent such other telecommunications company provides a portion of a service.

11.3 Neither party shall be liable for damages to the other party's terminal location, Interconnection Point or the other party's customers' premises resulting from the furnishing of a service, including but not limited to the installation and removal of equipment and associated wiring, except to the extent the damage is caused by such party's gross negligence or willful misconduct.

11.4 Notwithstanding subsection A of this Section, the party providing services under this Agreement, its affiliates and its parent company shall be indemnified, defended and held harmless by the party receiving such

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services against any claim, loss or damage arising from the receiving party's use of the services provided under this Agreement, involving: 1) claims for libel, slander, invasion of privacy or copyright infringement arising from the content of the receiving party's own communications; 2) any claim, loss, or damage claimed by the receiving party's customer(s) arising from such customer's use of any service, including 911/E911, that the customer has obtained from the receiving party and that the receiving party has obtained from the supplying party under this Agreement; or 3) all other claims arising out of an act or omission of the receiving party in the course of using services provided pursuant to this Agreement.

Notwithstanding the foregoing, to the extent that a claim, loss or damage is caused by the gross negligence or willful misconduct of a supplying party the receiving party shall have no obligation to indemnify, defend and hold harmless the supplying party hereunder. Nothing herein is intended to modify or alter in any way the indemnification obligations set forth in Section 10, supra, relating to intellectual property infringement.

11.5 Neither party guarantees or makes any warranty with respect to its services when used in an explosive atmosphere. Notwithstanding subsection A of this Section, each party shall be indemnified, defended and held harmless by the other party or the other party's customer from any and all claims by any person relating to the other party or the other party's customer's use of services so provided.

11.6 Promptly after receipt of notice of any claim or the commencement of any action for which a party may seek indemnification pursuant to this Section, such party (the "Indemnified Party") shall promptly give written notice to the other party (the "Indemnifying Party") of such claim or action, but the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability it may have to the Indemnified Party except to the extent the Indemnifying Party has actually been prejudiced thereby. The Indemnifying Party shall be obligated to assume the defense of such claim, at its own expense. The Indemnified Party shall cooperate with the Indemnifying Party's reasonable requests for assistance or information relating to such claim, at the Indemnifying Party's expense. The Indemnified Party shall have the right to participate in the investigation and defense of such claim or action, with separate counsel chosen and paid for by the Indemnified Party.

11.7 Both parties agree that they, at their own cost and expense, shall maintain throughout the term of this Agreement, all insurance required by law, and may at their own cost and expense purchase insurance or self-insure their employer, public, professional and legal liabilities. No limit of liability on any policy, not program of self-insurance, nor any failure to

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maintain adequate insurance coverage shall limit the direct or indirect liability of either party.

Section 12. Left blank intentionally

Section 13. Continuing Obligations

13.1 Except as otherwise provided herein, each party shall perform its obligations hereunder at a performance level no less than the level which it uses for its own operations, or those of its Affiliates, but in no event shall a party use less than reasonable care in the performance of its duties hereunder.

13.2 BellSouth agrees that Interconnection will be provided in a competitively neutral fashion, at any technically feasible point within its network as stated in this Agreement and that such interconnection will contain all the same features, functions and capabilities, and be at least equal in quality to the level provided by BellSouth to itself or its Affiliates.

13.3 BellSouth agrees that it will provide to MCIm on a nondiscriminatory basis unbundled Network Elements and ancillary services as set forth in this Agreement and the operations support systems as set forth in this Agreement. BellSouth further agrees that these services, or their functional components, will contain all the same features, functions and capabilities and be provided at a level of quality at least equal to the level which it provides to itself or its Affiliates.

13.4. BellSouth agrees that it will provide to MCIm nondiscriminatory access to, poles, ducts, conduits, and rights of way owned or controlled by BellSouth in accordance with the requirements of Section 224 of the Act.

13.5 BellSouth Agrees that it will provide nondiscriminatory access to telephone numbers for as long as BellSouth remains the code administrator for the North American Numbering Plan.

13.6 BellSouth agrees that it will provide to MCIm, in a competitively neutral fashion, interim number portability as set forth herein and in accordance with the applicable rules, regulations and orders of the FCC and this Authority, including the First Report and Order, released July 2, 1996 in CC Docket No. 95-116, regarding Telephone Number Portability, in effect.

13.7 BellSouth agrees that it will provide to MCIm, in a competitively neutral fashion, dialing parity for local exchange service and

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interexchange service pursuant to the applicable rules, regulations and orders of the state regulatory body and the FCC in effect.

13.8 BellSouth agrees that order entry, provisioning, installation, trouble resolution, maintenance, billing, and service quality with respect to Local Resale will be provided at least as expeditiously as BellSouth provides for itself or for its own retail local service or to others, or to its Affiliates, and that it will provide such services to MCIm in a competitively neutral fashion.

13.9 BellSouth agrees that it will provide on a nondiscriminatory basis space on its premises for physical or virtual collocation, as MCIm may specify, for equipment necessary for MCIm's interconnection and access to unbundled network elements.

Section 14. Notices

Except as otherwise provided herein, all notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person by overnight courier, or deposited in the United States mail, certified mail, postage prepaid, return receipt requested and addressed as follows:

To MCIm: MCImetro Access Transmission Services, Inc.
8521 Leesburg Pike
Vienna, VA 22182

Copy to: General Counsel
MCI Communications Corporation
1801 Pennsylvania Ave, N.W.
Washington, DC 20006

To BellSouth: Clifford H. Bowers
BellSouth Telecommunications, Inc.
1960 W. Exchange Pl., Ste. 402
Tucker, GA 30084

Copy to: General Attorney-Interconnection
BellSouth Telecommunications, Inc.
Suite 4300
675 W. Peachtree Street, NE
Atlanta, Georgia 30375

If personal delivery or courier is selected to give notice, a receipt of such delivery

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shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other pursuant to this Section 14.

Section 15. Remedies

15.1 The obligations of BellSouth and the services offered under this Agreement are unique. Accordingly, in addition to any other available rights or remedies, MCIm may sue in equity for specific performance.

15.2 Left blank intentionally

15.3 All rights of termination, cancellation or other remedies prescribed in this Agreement, or otherwise available, are cumulative and are not intended to be exclusive of other remedies to which the injured party may be entitled at law or equity in case of any breach or threatened breach by the other party of any provision of this Agreement. Use of one or more remedies shall not bar use of any other remedy for the purpose of enforcing the provisions of this Agreement.

Section 16. Waivers

16.1 No waiver of any provisions of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and properly executed by or on behalf of the party against whom such waiver or consent is claimed.

16.2 No course of dealing or failure of any party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.

16.3 Waiver by either party of any default by the other party shall not be deemed a waiver of any other default.

Section 17. Survival

The following provisions of this Part A shall survive the expiration or termination of this Agreement: Sections 10, 11, 12, 21, 22, 26 and 27, and any other obligations to be performed after the expiration or termination of the Agreement.

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Section 18. Force Majeure

Neither party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, strikes, nuclear accidents, floods, power blackouts, or unusually severe weather.

In the event of any such excused delay in the performance of a party's obligations(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of delay. In the event of such delay, the delaying party shall perform its obligations at a performance level no less than that which it uses for its own operations and will resume performance in a nondiscriminatory manner.

Section 19. Non-Discriminatory Treatment

19.1 The parties agree that if:

19.1.1 In the event that BellSouth, subsequent to February 8, 1996, enters into an agreement with any other telecommunications carrier (an "Other Interconnection Agreement") which provides for the provision within the State of Tennessee of any of the arrangements covered by this Agreement upon rates, terms or conditions that differ in any material respect from the rates, terms and conditions for such arrangements set forth in this Agreement ("Other Terms"), BellSouth shall be deemed thereby to have offered such arrangements to MCIm upon such Other Terms, which MCIm may accept as provided in subsection (B), below. In the event that MCIm accepts such offer within sixty (60) days after the Commission approves such other Interconnection Agreement pursuant to 47 U.S.C. § 252, such Other Terms shall be effective between BellSouth and MCIm as of the effective date of such Other Interconnection Agreement. In the event that MCIm accepts such offer more than sixty (60) days after the Commission approves such Other Interconnection Agreement pursuant to 47 U.S.C. § 252, such Other Terms shall be effective between BellSouth and MCIm as of the date on which MCIm accepts such offer.

19.1.2 In the event that after the effective date of this Agreement BellSouth files and subsequently receives approval for one or more intrastate or interstate tariffs (each, an "Interconnection Tariff") offering to provide within the State of Tennessee any of the arrangements covered by this Agreement upon Other Terms, then upon such Interconnection Tariff becoming effective, BellSouth

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shall be deemed thereby to have offered such arrangements to MCIm upon such Other Terms, which MCIm may accept as provided in subsection (b) below. In the event that MCIm accepts such offer within sixty (60) days after the date of such Interconnection Tariff becomes effective, such Other Terms shall be effective between BellSouth and MCIm as of the effective date of such Interconnection Tariff. In the event that MCIm accepts such offer more than sixty (60) days after the date on which such Interconnection Tariff becomes effective, such Other Terms shall be effective between BellSouth and MCIm as of the date on which MCIm accepts such offer.

19.2 In the event that BellSouth is deemed to have offered MCIm the arrangements covered by this Agreement upon Other Terms, MCIm in its sole discretion may accept such offer either:

19.2.1 by accepting such Other Terms in their entirety; or

19.2.2 by accepting the Other Terms that directly relate to any of the following arrangements as a whole:

19.2.2.1 local interconnection,

19.2.2.2 interLATA and IntraLATA toll traffic interconnection,

19.2.2.3 unbundled access to network elements, which include: local loops, loop distribution, loop concentration, network interface devices, switching capability, interoffice transmission facilities, signaling networks and call-related databases, operations support systems functions, operator services and directory assistance, and any elements that result from subsequent bona fide requests,

19.2.2.4 access to poles, ducts, conduits and rights-of way,

19.2.2.5 access to 911/E911 emergency network,

19.2.2.6 collocation,

19.2.2.7 access to telephone numbers, or

19.2.2.8 resale.

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19.3 The terms of this Agreements, other than those affected by the Other Terms accepted by MCIm, shall remain in full force and effect.

Section 20. Termination

20.1 In the event of breach of any material provision of this Agreement by either party, the non-breaching party shall give the other party written notice thereof, and:

20.1.1 If such material breach is for non-payment of amounts due hereunder pursuant to Attachment VIII, Section 3.1.18, the breaching party shall cure such breach within thirty (30) days of receiving such notice. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Amounts disputed in good faith and withheld or set off shall not be deemed "amounts due hereunder" for the purpose of this provision.

20.1.2 If such material breach is for any failure to perform in accordance with this Agreement, which adversely affects the non-breaching party's subscribers, the non-breaching party shall give notice of the breach and the breaching party shall cure such breach to the non-breaching party's reasonable satisfaction within ten (10) business days, and if breaching party does not, the non-breaching party may, at its sole option, terminate this Agreement, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Notice under this Subsection 20.1.2 may be given electronically or by facsimile and in such case shall be deemed received when sent.

20.1.3 If such material breach is for any other failure to perform in accordance with this Agreement, the breaching party shall cure such breach to the non-breaching party's reasonable satisfaction within forty-five (45) days, and if it does not, the non-breaching party may, at is sole option terminate this Agreement, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach.

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20.2 MCIm may terminate any Services provided under this Agreement upon thirty (30) days written notice to BellSouth unless a different notice period or different conditions are specified for termination of such Services in this Agreement, or pursuant to any applicable tariff, in which event such specific period or conditions shall apply. Where there is no such different notice period or different condition specified, MCIm's liability shall be limited to payment of the amounts due for any terminated Local Service(s), Network Element(s), Combination(s), or ancillary service(s) provided up to and including the date of termination. Notwithstanding the foregoing, the provisions of section 11, supra, shall still apply. Upon termination, BellSouth agrees to cooperate in an orderly and efficient transition to MCIm or another vendor such that the level and quality of the services and Elements is not degraded and to exercise its best efforts to effect an orderly and efficient transition. MCIm agrees that it may not terminate the entire Agreement pursuant to this section.

Section 21. Confidentiality and Publicity

21.1 All confidential or proprietary information disclosed by either party during the negotiations and the term of this Agreement shall be protected by the parties in accordance with the terms of this Section 21. All information which is disclosed by one party ("Disclosing Party") to the other ("Recipient") in connection with this Agreement, or acquired in the course of performance of this Agreement, shall be deemed confidential and proprietary to the Disclosing Party and subject to this Agreement, such information including but not limited to, orders for services, usage information in any form, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Act and the rules and regulations of the FCC ("Confidential Information").

21.1.1 For a period of eight (8) years from receipt of Confidential Information, Recipient shall (i) use it only for the purpose of performing under this Agreement, (ii) hold it in confidence and disclose it only to employees who have a need to know it in order to perform under this Agreement, and (iii) safeguard it from unauthorized use of Disclosure using no less than the degree of care with which Recipient safeguards its own Confidential Information. If Recipient wishes to disclose the Discloser's Confidential Information to a third party agent or consultant in order to perform Recipient's obligations hereunder, such third party must have executed a written agreement comparable in scope to the terms of this Section 21.

21.1.2 Recipient shall have no obligation to safeguard Confidential

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Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) which becomes publicly known or available through no breach of this Agreement by Recipient, (iii) which is rightfully acquired by Recipient free of restrictions on its Disclosure, or (iv) which is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential Information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.

21.1.3 Each party agrees that Disclosing Party would be irreparably injured by a breach of this Section 21 by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this Section 21. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

21.2 CPNI related to MCIm's subscribers obtained by virtue of Local Interconnection or any other service provided under this Agreement shall be MCIm's proprietary information and may not be used by BellSouth for any purpose except performance of its obligations under this Agreement, and in connection with such performance, shall be disclosed only to employees with a need to know, unless the MCIm subscriber expressly directs MCIm to disclose such information to BellSouth pursuant to the requirements of Section 222(c)(2) of the Act. In the event such authorization is obtained, BellSouth may use or disclose only such information as MCIm provides pursuant to such authorization and may not use information that BellSouth has otherwise obtained, directly or indirectly, in connection with its performance under this Agreement. CPNI related to BellSouth's subscribers obtained by virtue of Local Interconnection shall be BellSouth's proprietary information and may not be used by MCIm for any purpose except performance of its obligations under this Agreement, and in connection with such performance shall be disclosed only to employees with a need to know, unless the BellSouth subscriber expressly directs BellSouth to disclose such information to MCIm pursuant to the requirements of Section 222(c)(2) of the Act. In the event such authorization is obtained, MCIm may use or disclose only such

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information as BellSouth provides pursuant to such authorization and may not use information that MCIm has otherwise obtained, directly or indirectly, in connection with its performance under this Agreement.

21.3 Unless otherwise mutually agreed upon, neither party shall publish or use the other party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the other party's name may reasonably be inferred or implied in any product, service, advertisement, promotion, or any other publicity matter.

21.4 Neither party shall produce, publish or distribute any press release or other publicity referring to the other party or its Affiliates, or announcing the execution or discussing the terms of this Agreement without prior notice to the other party. In no event shall either party mischaracterize the contents of this Agreement in any public statement or in any representation to a governmental entity or member thereof.

21.5 Except as otherwise expressly provided in this Section 21, nothing herein shall be construed as limiting the rights of either party with respect to its customer information under any applicable law, including without limitation Section 222 of the Act.

Section 22. Audits and Examinations

22.1 As used herein "Audit" shall mean a comprehensive review of services performed under this Agreement; "Examination" shall mean an inquiry into a specific element of or process related to services performed under this Agreement. Either party may perform up to one Audit per 12-month period, commencing with the Effective Date and may perform Examinations as they deem necessary.

22.2 Upon thirty (30) days written notice, either party shall have the right through its authorized representative to make an Audit or Examination, during normal business hours, of any records, accounts and processes which contain information bearing upon the provision of the services provided and performance standards agreed to under this Agreement. Within the above-described 30-day period, the parties shall reasonably agree upon the scope of the Audit or Examination, the documents and processes to be reviewed, and the time, place and manner in which the Audit or Examination shall be performed. Both parties agree to provide Audit or Examination support, including appropriate access to and use of facilities (e.g., conference rooms, telephones, copying machines).

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22.3 Each party shall bear its own expenses, including the cost of special data extraction that may be required, in connection with the conduct of the Audit or Examination. For purposes of this Section 22.3, a "Special Data Extraction" shall mean the creation of an output record or informational report (from existing data files) that is not created in the normal course of business. If any program is developed to specifications and at the auditing or examining party's expense, the auditing or examining party shall specify at the time of request whether the program is to be retained by the audited or examined party for reuse for any subsequent Audit or Examination.

22.4 Adjustments, credits or payments, including any underbilling, shall be made and any corrective action shall commence within thirty (30) days from the audited or examined party's receipt of the final audit report to compensate for any errors or omissions which are disclosed by such Audit or Examination and are agreed to by the parties.

22.5 Neither such right to examine and audit nor the right to receive an adjustment shall be affected by any statement to the contrary appearing on checks or otherwise, unless such statement expressly waiving such right appears in writing, is signed by the authorized representative of the party having such right and is delivered to the other party in a manner sanctioned by this Agreement.

22.6 This Section 22 shall survive expiration or termination of this Agreement shall for a period of two (2) years after expiration or termination of this Agreement.

Section 23. Dispute Resolution Procedures

The parties recognize and agree that the Authority has continuing jurisdiction to implement and enforce all terms and conditions of this Agreement. Accordingly, the parties agree that any dispute arising out of or relating to this Agreement that the parties themselves cannot resolve, may be submitted to the Authority for resolution. The parties agree to seek expedited resolution by the Authority, and shall request that resolution occur in no event later than sixty (60) days from the date of submission of such dispute. If the Authority appoints an expert(s) or other facilitator(s) to assist in its decision making, each party shall pay half of the fees and expenses so incurred. During the Authority proceeding each party shall continue to perform its obligations under this Agreement; provided, however that neither party shall be required to act in any unlawful fashion. This provision shall not preclude the parties from seeking relief available in any other forum.

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Section 24. Bona Fide Request Process for Further Unbundling

BellSouth shall, upon request of MCIm, and to the extent technically feasible, provide to MCIm access to its unbundled elements for the provision of MCIm's telecommunications service. Any request by MCIm for access to an unbundled element that is not already available shall be treated as an unbundled element Bona Fide Request. The parties shall adhere to the process as agreed and described in Exhibit 1.

Section 25. Branding

25.1 Left Blank Intentionally

25.2 MCIm shall provide the exclusive interface to MCIm subscribers, except as MCIm shall otherwise specify. In those instances where MCIm requires BellSouth personnel or systems to interface with MCIm subscribers, such BellSouth personnel shall identify themselves as representing MCIm, or such brand as MCIm may specify, and shall not identify themselves as representing BellSouth or any other entity, and shall refrain from marketing BellSouth, directly or indirectly, to MCIm subscribers.

25.3 BellSouth shall distribute to MCIm subscribers materials provided by MCIm. Such materials shall be prepared by MCIm and provided in sufficient quantities to BellSouth at MCIm's cost. All forms, business cards or other business materials furnished by BellSouth to MCIm subscribers shall be provided by MCIm unless otherwise agreed by MCIm, in its sole discretion, in which case, any such customer materials shall be subject to MCIm's prior review and approval, and shall bear no corporate name, logo, trademark or trade names other than MCIm or its Affiliates or such other brand as MCIm, in its sole discretion, shall determine. If, however, the technician does not have a company specific card available at the time services are performed, the BellSouth technician shall use a generic card.

25.4 Except as specifically permitted MCIm, in no event shall BellSouth provide information to MCIm subscribers about MCIm or MCIm's products or services.

25.5 BellSouth shall provide, for MCIm's review and approval, the methods and procedures, training and approaches to be used by BellSouth to assure that BellSouth meets MCIm's branding requirements.

25.6 This Section 25 shall not confer on either party rights to the service

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marks, trademarks and trade names owned by or used in connection with services by the other party or its Affiliates, except as expressly permitted by the other party.

25.7 Left Blank Intentionally.

Section 26. Taxes

26.1 Definition

For purposes of this Section 26, the terms "taxes" and "fees" shall include but not be limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on either of the parties and measured by the charges or payments, for the services furnished hereunder, excluding any taxes levied on income.

26.2 Taxes And Fees Imposed Directly On Either Seller Or Purchaser

26.2.1 Taxes and fees imposed on the providing Party, which are neither permitted nor required to be passed on by the providing Party to its Customer, shall be borne and paid by the providing Party.

26.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.

26.3 Taxes And Fees Imposed On Purchaser But Collected And Remitted By Seller

26.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

26.3.2 To the extent permitted by Applicable Law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

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26.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not lawfully due, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be lawfully due, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In the event that such contest must be pursued in the name of the providing Party, the providing Party shall permit the purchasing Party to pursue the contest in the name of providing Party. In the event of any such contest, the purchasing Party shall furnish the providing Party with notice of the pending proceeding, the final resolution thereof and any action therein that would affect the providing party's obligation to collect and remit.

26.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency or such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.

26.3.5 Left blank intentionally.

26.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereof, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are reasonably and necessarily incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

26.3.7 Each Party shall provide the other Party with timely written notice of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority.

26.4 Taxes And Fees Imposed On Providing Party

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26.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its Customer, shall be borne by the purchasing Party.

26.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

26.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fees, the parties shall consult with respect to the imposition and billing of such tax or fee and with respect to whether to contest the imposition of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain responsibility for determining whether and to what extent any such taxes or fees are applicable. The providing Party shall further retain responsibility for determining whether and how to contest the imposition of such taxes or fees, provided, however, the Parties agree to consult in good faith as to such contest and that any such contest undertaken at the request of the purchasing Party shall be at the purchasing Party's expense. In the event that such contest must be pursued in the name of the providing Party, providing Party shall permit purchasing Party to pursue the contest in the name of the providing Party and the providing Party shall have the opportunity to participate fully in the preparation of such contest.

26.4.4 If, after consultation in accordance with the preceding Section 26.4.3, the purchasing Party does not agree with the providing Party's final determination as to the application or basis of a particular tax or fee, and if the providing Party, after receipt of a written request by the purchasing Party to contest the imposition of such tax or fee with the imposing authority, fails or refuses to pursue such contest or to allow such contest by the purchasing Party, the purchasing Party may utilize the dispute resolution process outlined in Section 16 of the General Terms and Conditions of this Agreement and Attachment 1. Utilization of the dispute resolution process shall not relieve the purchasing party from liability for any tax or fee billed by the providing Party pursuant to this subsection during the pendency of such dispute resolution proceeding. In the event that the purchasing Party prevails in such dispute resolution proceeding, it shall be entitled to a refund in

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accordance with the final decision therein. Notwithstanding the foregoing, if at any time prior to a final decision in such dispute resolution proceeding the providing Party initiates a contest with the imposing authority with respect to any of the issues involved in such dispute resolution proceeding, the dispute resolution proceeding shall be dismissed as to such common issues and the final decision rendered in the contest with the imposing authority shall control as to such issues.

26.4.5 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee with the imposing authority, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.

26.4.6 Left blank intentionally.

26.4.7 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

26.4.8 Each Party shall provide the other Party with timely written notice of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority.

26.5 Mutual Cooperation

Unless otherwise provided herein, in any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

Section 27. Responsibility for Environmental Contamination

27.1 MCIm shall in no event be liable to BellSouth for any costs

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whatsoever resulting from the presence or release of any environmental hazard that MCIm did not introduce to the affected work location so long as MCIm's actions do not cause or substantially contribute to the release of any Environmental Hazard. BellSouth shall, at MCIm's request, indemnify, defend, and hold harmless MCIm, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys fees) that arise out of or from (i) any environmental hazard that BellSouth, its contractors or agents introduce to the work locations or (ii) the presence or release of any environmental hazard for which BellSouth is responsible under Applicable Law, to the extent the release of any Environmental Hazard is not caused or substantially contributed to by MCIm's actions.

27.2 BellSouth shall in no event be liable to MCIm for any costs whatsoever resulting from the presence or release of any environmental hazard that BellSouth did not introduce to the affected work location, so long as BellSouth's actions do not cause or substantially contribute to the release of any Environmental Hazards. MCIm shall, at BellSouth's request, indemnify, defend, and hold harmless BellSouth, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any environmental hazard that MCIm, its contractors or agents introduce to the work locations, or (ii) the presence of release of any environmental hazard for which MCIm is responsible under applicable law to the extent the release of any Environmental Hazard is not caused or substantially contributed to by BellSouth's actions.

Section 28. Amendments and Modifications

No provision of this Agreement shall be deemed waived, amended or modified by either party unless such a waiver, amendment or modification is in writing, dated, and signed by both parties.

Section 29. Severability

Subject to Section 2 - Regulatory Approvals, if any part of this Agreement is held to be invalid for any reason, such invalidity will affect only the portion of this Agreement which is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.

Section 30. Headings Not Controlling

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The headings and numbering of Sections, Parts and Attachments in this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.

Section 31. Entire Agreement

This Agreement, including all Parts and Attachments and subordinate documents attached hereto or referenced herein, all of which are hereby incorporated by reference herein, constitute the entire matter thereof, and supersede all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof.

Section 32. Counterparts

This Agreement may be executed in counterparts. Each counterpart shall be considered an original and such counterparts shall together constitute one and the same instrument.

Section 33. Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

Section 34

The Parties acknowledge that the terms of this Agreement were established pursuant to an order of the Tennessee Utilities Authority. Any or all of the terms of this Agreement may be altered or abrogated by a successful challenge to the Agreement (or to the order approving the Agreement) as permitted by applicable law. By signing this Agreement, the parties do not waive their right to pursue such a challenge.

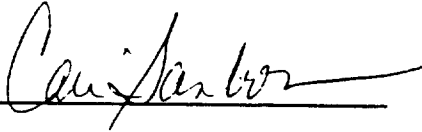
Section 35 Effective Date

This Agreement shall be deemed Effective when signed by the Parties and approved by the Tennessee Regulatory Authority.

MCImetro-BellSouth Tennessee Interconnection Agreement

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized representatives.

MCImetro Access Transmission
Service, Inc.

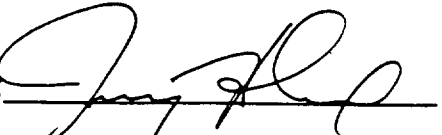
By: 

Name: Cari Sanborn

Title: Vice President

Date: April 2, 1997

BellSouth Telecommunications,
Inc.

By: 

Name: Jerry Hendrix

Title: Director

Date: April 4, 1997

EXHIBIT 1

BONA FIDE REQUEST PROCESS

1.0 Bona Fide Requests are to be used when MCIm requests a change to any Services and Elements provided hereunder, including features, capabilities, or functionality.

1.1 A Bona Fide Request shall be submitted in writing by MCIm and shall specifically identify the required service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. Such a request also shall include, MCIm's designation of the request as being (i) pursuant to the Telecommunications Act of 1996 or (ii) pursuant to the needs of the business.

1.2 Although not expected to do so, MCIm may cancel, without penalty, a Bona Fide Request in writing at any time. BellSouth will then cease analysis of the request.

1.3 Within two (2) business days of its receipt, BellSouth shall acknowledge in writing, the receipt of the Bona Fide Request and identify a single point of contact and any additional information needed to process the request.

1.4 Except under extraordinary circumstances, within thirty (30) days of its receipt of a Bona Fide Request, Bell South shall provide to MCIm a preliminary analysis of the Bona Fide Request. The preliminary analysis will include BellSouth's proposed price (plus or minus 25 percent) and state whether BellSouth can meet MCIm's requirements, the requested availability date, or, if BellSouth cannot meet such date, provide an alternative proposed date together with a detailed explanation as to why BellSouth is not able to meet MCIm's requested availability date. BellSouth also shall indicate in this analysis its agreement or disagreement with MCIm's designation of the request as being pursuant to the Act or pursuant to the needs of the business. If BellSouth does not agree with MCIm's designation, it may utilize the Dispute Resolution Process provided in this Agreement. In no event, however, shall any such dispute delay BellSouth's processing of the request. If BellSouth determines that it is not able to provide MCIm with a preliminary analysis with thirty (30) days of BellSouth's receipt of a Bone Fide Need request, BellSouth will inform MCIm as soon as practicable. MCIm and BellSouth will then determine a mutually agreeable date for receipt of the preliminary analysis.

1.5 As soon as possible, but in no event more than ninety (90) days after receipt of the request, BellSouth shall provide MCIm with a firm Bona Fide Request

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quote which will include at a minimum, the firm availability date, the applicable rates and the installation intervals, and a binding price quote.

1.6 Unless MCIm agrees otherwise, all proposed prices shall be the pricing principles of this Agreement, in accordance with the Act, and any applicable FCC and Authority rules and regulations. Payments for services purchased under a Bona Fide Request will be made as specified in this Agreement, unless otherwise agreed to by MCIm.

1.7 Within thirty (30) days after receiving the firm Bona Fide Request quote from BellSouth, MCIm will notify BellSouth in writing of its acceptance or rejection of BellSouth's proposal. If at any time an agreement cannot be reached as to the terms and conditions or price of the request, or if BellSouth responds that it cannot or will not offer the requested item in the Bone Fide Request and MCIm deems the item essential to its business operations, and deems BellSouth's position to be inconsistent with the Act, FCC or Authority regulations and/or the requirements of this Agreement, the Dispute Resolution Process set forth in this Agreement may be used by either Party to reach a resolution.

PART B -- DEFINITIONS

"911 SITE ADMINISTRATOR" is a person assigned by MCIm to establish and maintain E911 service location information for its subscribers.

"911 SERVICE" means a universal telephone number which gives the public direct access to the Public Safety Answering Point (PSAP). Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.

"ASR" (ACCESS SERVICE REQUEST) means the industry standard forms and supporting documentation used for ordering Access Services. The ASR may be used to order trunking and facilities between MCIm and ILEC for Local Interconnection.

"ACCESS SERVICES" refers to interstate and intrastate switched access and private line transport services.

"ACT" means the Communications Act of 1934 as amended.

"AIN" (ADVANCED INTELLIGENT NETWORK) is a network functionality that permits specific conditions to be programmed into a switch which, when met, directs the switch to suspend call processing and to receive special instructions for further call handling instructions in order to enable carriers to offer advanced features and services.

"AFFILIATE" is a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For the purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

"ALI" (AUTOMATIC LOCATION IDENTIFICATION) is a proprietary database developed for E911 systems that provides for a visual display of the caller's telephone number, address and the names of the emergency response agencies that are responsible for that address. The Alternative Local Exchange Company will provide ALI record information in National Emergency Number Association (NENA) Version #2 format. The ALI also shows an Interim Number Portability (INP) number if applicable.

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"ALI/DMS" (AUTOMATIC LOCATION IDENTIFICATION/DATA MANAGEMENT SYSTEM) means the emergency service (E911/911) database containing customer location information (including name, address, telephone number, and sometimes special information from the local service provider) used to determine to which Public Safety Answering Point (PSAP) to route the call.

"AMA" means the Automated Message Accounting structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Bellcore as GR-1100-CORE which defines the industry standard for message recording.

"ANI" (AUTOMATIC NUMBER IDENTIFICATION) is a feature that identifies and displays the number of a telephone that originates a call.

"ARS" (AUTOMATIC ROUTE SELECTION) is a service feature that provides for automatic selection of the least expensive or most appropriate transmission facility for each call based on criteria programmed into the system.

"BLVBLI" (Busy LINE VERIFY/BUSY LINE INTERRUPT) means an operator call in which the end user inquiries as to the busy status of, or requests an interruption of, a call on an Exchange Service.

"BST" and "BellSouth" both mean BellSouth Telecommunications, Inc.

"CABS" means the Carrier Access Billing System which is defined in a document prepared under the direction of the Billing Committee of the OBF. The Carrier Access Billing System document is published by Bellcore in Volumes 1, 1A, 2, 3, 3A, 4 and 5 as Special Reports SR-OPT-001868, SR-OPT-001869, SR-OPT-001871, SR-OPT-001872, SR-OPT-001873, SR-OPT-001874, and SR-OPT-001875, respectively, and contains the recommended guidelines for the billing of access and other connectivity services.

"CCS" (COMMON CHANNEL SIGNALING) means a method of digitally transmitting call set-up and network control data over a digital signaling network fully separate from the public switched telephone network that carries the actual call.

"CLEC" means a Competitive Local Exchange Carrier.

"CPN" (CALLING PARTY NUMBER) is a Common Channel Signaling parameter which refers to the number transmitted through the network identifying the calling party.

"CENTRAL OFFICE SWITCH" or "CENTRAL OFFICE" means a switching entity within the public switched network, including but not limited to end office switches and tandem office switches. Central office switches may be employed as combination End Office/Tandem Office Switches (Combination Class 5/Class 4).

"CENTREX" means a Telecommunications Service that uses central office switching equipment for call routing to handle direct dialing of calls, and to provide numerous private branch exchange-like features.

"CHARGE NUMBER" is a CCS parameter which refers to the number transmitted through the network identifying the billing number of the calling party.

"CLASS" (Bellcore Service Mark) – Set of call-management service features that utilize the capability to forward a calling party's number between end offices as part of call setup. Features include Automatic Callback, Automatic Recall, Caller ID, Call Trace, and Distinctive Ringing.

"COLLOCATION" means the right of MCIm to place equipment of its choice in BellSouth's central offices or other BellSouth locations as described in the rules and regulations of the FCC in effect.

"COMBINATIONS" means provision by ILEC of two or more connected Network Elements ordered by MCIm to provide its telecommunication services in a geographic area or to a specific customer and that are placed on the same order by MCIm.

"AUTHORITY" means the Tennessee Utilities Authority.

"CONDUIT" means a tube or protected pathway that may be used to house communication or electrical cables. Conduit may be underground or above ground (for example, inside buildings) and may contain one or more inner ducts.

"CONFIDENTIAL INFORMATION" has that meaning set forth in

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Section 21 of Part A -- General Terms.

"CONTRACT YEAR" means a twelve (12) month period during the term of the contract commencing on the Effective Date and each anniversary thereof.

"CONTROL OFFICE" is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of local interconnection arrangements.

"CUSTOM CALLING FEATURES" -- Set of call-management service features available to residential and single-line business customers including call-waiting, call-forwarding and three-party calling.

"DBMS" (DATABASE MANAGEMENT SYSTEM) is a computer system used to store, sort, manipulate and update the data required to provide selective routing and ALI.

"DIRECTORY ASSISTANCE DATABASE" refers to any subscriber recorder used by the ILEC in its provision of live or automated operator-assisted directory assistance including but not limited to 411, 555-1212, NPA-555-1212.

"DIRECTORY ASSISTANCE SERVICES" provides Listings to callers. Directory Assistance Services may include the option to complete the call at the caller's direction.

"DIRECTORY LISTINGS" refers to subscriber information, including but not limited to name, address and phone numbers, that is published in any media, including but not limited to traditional white/yellow page directories, specialty directories, CD ROM, and other electronic formats.

"DISCLOSER" means that party to this Agreement which has disclosed Confidential Information to the other party.

"E911" (ENHANCED 911 SERVICE) means a telephone communication service which will automatically route a call dialed "911" to a designated public safety answering point (PSAP) attendant and will provide to the attendant the calling party's telephone number and, when possible, the address from which the call is being placed and the emergency response agencies responsible for the location from which the call was dialed.

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"E911 Message Trunk" is a dedicated line, trunk or channel between two central offices or switching devices which provides a voice and signaling path for E911 calls.

"EIS" (EXPANDED INTERCONNECTION SERVICE) is the collocation arrangement which ILEC provides in its designated wire centers.

"EMR" means the Exchange Message Record System used among ILECs for exchanging telecommunications message information for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, published by Bellcore and which defines the industry standard for exchange message records.

"ESN" (EMERGENCY SERVICE NUMBER) is a number assigned to the ALI and selective routing databases for all subscriber telephone numbers. The ESN designates a unique combination of fire, police and emergency medical service response agencies that serve the address location of each in-service telephone number.

"EFFECTIVE DATE" is the date indicated in Part A on which the Agreement shall become effective.

"EMERGENCY RESPONSE AGENCY" is a governmental entity authorized to respond to requests from the public to meet emergencies.

"ENHANCED DIRECTORY ASSISTANCE" refers to directory Assistance services, including but not limited to reverse search, talking yellow pages, and locator services.

"ENHANCED WHITE PAGES" means optional features available for White Pages Directory listings (e.g., bold, all capitals, logos).

"ENHANCED YELLOW PAGES" means optional features available for Yellow Pages Directory listings (e.g., red type, bold, all capital, additional line of text, indented).

"ENVIRONMENTAL HAZARD" means (1) a release, discharge, leak, spill or disposal (collectively referred to hereafter as "release") of HAZARDOUS MATERIALS has occurred on premises or property that is related to the performance of this Agreement and that such affected material or media is demonstrated through

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applicable or appropriate testing method to require remediation or removal as determined by all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, county, city or any other political subdivision in which the release has occurred, and any other political subdivision, agency, or instrumentality exercising jurisdiction over the release, including any applicable federal and state case law and common law interpreting any of the foregoing or (2) any event involving, or exposure to, HAZARDOUS MATERIALS which poses risks to human health, safety or the environment (including, without limitation, indoor or outdoor environment(s) and is regulated under any applicable laws or regulations as described in (1).

"FCC Interconnection Order" is the Federal Communications Authority's First Report and Order in CC Docket No. 96-98 released August 8, 1996.

"HAZARDOUS MATERIALS" means any hazardous or toxic substance, material or waste listed in the United States Department of Transportation HAZARDOUS MATERIALS Table at 49 CFR 172.101; and hazardous substance listed by the Environmental Protection Agency (EPA) under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. sec. 9601, et. seq., as amended, and found at 40 CFR Part 302; any hazardous waste listed under the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. sec. 6901, et. seq., as amended, and found at 40 CFR Part 261; any toxic substance regulated by the Toxic Substances Control Act, 15 U.S.C. sec. 2601, et. seq., as amended; any insecticide, fungicide, or rodenticide regulated by the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. sec. 136, et. seq., as amended; and the following specified substances or materials, that may or may not be regulated by the above; (1) asbestos or asbestos-containing materials; (2) petroleum or petroleum-based or derived products or by-product; (3) polychlorinated biphenyl's (PCBs); and (4) radon."

"ILEC" means the incumbent local exchange carrier.

"INP" (INTERIM NUMBER PORTABILITY) is a service arrangement whereby subscribers who change local service providers may retain existing telephone numbers when remaining at their current location or changing their location within the geographic area serviced by the initial carrier's serving central office.

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"IP" (INTERCONNECTION POINT) is a mutually agreed upon point of demarcation where the networks of ILEC and MCIIm interconnect for the exchange of traffic.

"IXC" (INTEREXCHANGE CARRIER) means a provider of interexchange telecommunications services.

"LIDB" (LINE INFORMATION DATA BASE(S)) A Service Control Point (SCP) database that provides for such functions as calling card validation for telephone line number cards issued by ILECs and other entities and validation for collect and billed-to-third services.

"MCI" means MCI Telecommunications Corporation.

"MCIIm" means MCImetro Access Transmission Services, Inc.

"MCIIm 911 DATABASE RECORDS" are the MCIIm customer records to be provided by MCIIm to ILEC for inclusion in ILEC's E911 database.

"MECAB" refers to the Multiple Exchange Carrier Access Billing (MECAB) document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs (including a LEG and a CLEC), or by one LEC in two or more states within a single LATA.

"MECOD" refers to the Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes recommended guidelines for processing orders for access service which is to be provided by two or more LECs (including a LEG and a CLEC). It is published by Bellcore as SRBDS 00983.

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"MSAG" (MASTER STREET ADDRESS GUIDE (MSAG)) is a database defining the geographic area of an E911 service. It includes an alphabetical list of the street names, high-low house number ranges, community names, and emergency service numbers provided by the counties or their agents to ILEC.

"NANP" means the "North American Numbering Plan," the system or method of telephone numbering employed in the United States, Canada, and certain Caribbean countries. It denotes the three digit Numbering Plan Area code and a seven digit telephone number made up of a three digit Central Office code plus a four digit station number.

"NENA" (NATIONAL EMERGENCY NUMBER ASSOCIATION (NENA)) is an association with a mission to foster the technological advancement, availability and implementation of 911 nationwide.

"NP" (NUMBER PORTABILITY) means the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"NPA" (NUMBERING PLAN AREA) (sometimes referred to as an area code). Is the three digit indicator which is designated by the first three digits of each 10 digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs." A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that Geographic area. A "Non-Geographic NPA," also known as a "Service Access Code (SAC Code)" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 500, 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

"NXX," "NXX CODE," OR "CENTRAL OFFICE CODE," OR "CO CODE" is the three digit switch entity indicator which is defined by the fourth, fifth and sixth digits of a 10 digit telephone number within the North America Numbering Plan ("NANP").

"NETWORK ELEMENT" means a facility or equipment used in the provision of a telecommunications service including all features, functions and capabilities that are embedded in such facility or equipment.

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"OBF" means the Ordering and Billing Forum, which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS).

"OPERATOR SYSTEMS" are network elements that provide operator and automated call handling with billing, special operator services, subscriber telephone listings and optional call completion services.

"OPERATOR SERVICES" provides (1) operator handling for call completion (e.g. collect calls); (2) operator or automated assistance for billing after the customer has dialed the called number (e.g. credit card calls); and (3) special operator services (e.g. BLV/ELI, Emergency Agency Call).

"P.01 TRANSMISSION GRADE OF SERVICE (GOS)" means a trunk facility provisioning standard with the statistical probability of no more than one call in 100 blocked on initial attempt during the average busy hour.

"PLU" (PERCENT LOCAL USAGE) is a calculation which represents the ratio of the local minutes to the sum of local and intraLATA toll minutes and interLATA minutes, if any, between exchange carriers sent over Local Interconnection Trunks. Directory assistance, BLV/BLVI, 900, 976, transiting calls from other exchange carriers and switched access calls are not included in the calculation of PLU. "POP" means an IXC's point of presence.

"PSAP" (PUBLIC SAFETY ANSWERING POINT (PSAP)) is the public safety communications center where 911 calls placed by the public for a specific geographic area will be answered

"POLE ATTACHMENT" means any attachment by a cable television system or provider of telecommunications service to a pole, duct, conduit, or right-of-way owned or controlled by a utility.

"PROPRIETARY information" shall have the same meaning as Confidential Information.

"ROW" (RIGHT OF WAY (ROW)) is the right to use the land or other property of another party to place poles, conduits, cables, other structures and equipment, or to provide passage to access such structures and equipment.

"RATE CENTER" means the geographic point and corresponding

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geographic area which are associated with one or more particular NPA-NXX codes which have been assigned to ILEC (or MCIm) for its provision of Basic Exchange Telecommunications Services.

The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from the particular NPA-NXX designations associated with the specific Rate Center. The "rate center area" is the exclusive geographic area identified as the area within which ILEC (or MCIm) will provide Basic Exchange Telecommunications Services bearing the particular NPA-NXX designations associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.

"REAL TIME" means the actual time in which an event takes place, with the reporting on or the recording of the event simultaneous with its occurrence.

"RECIPIENT"- means that party to this Agreement (a) to which Confidential Information has been disclosed by the other party or (b) who has obtained Confidential Information in the course of providing services under this Agreement.

"RESELLER" is a category of Local Exchange service providers who obtain dial tone and associated telecommunications services from another provider through the purchase wholesale priced services for resale to their end user customers.

"ROUTING POINT" means a location which ILEC or MCIm has designated on its own network as the homing (routing) point for traffic inbound to Basic Exchange Services provided by the ILEC or MCIm which bear a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access Services. Pursuant to Bellcore Practice BR 795-100-100, the Routing Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection." Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The above referenced Bellcore document refers to the Routing Point as the Rating Point. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area, but must be in the same LATA as the NPA-NXX..

"SECAB" means the Small Exchange Carrier Access Billing

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document prepared by the Billing Committee of the OBF. The Small Exchange Carrier Access Billing document, published by Bellcore as Special Report SR OPT-001856, contains the recommended guidelines for the billing of access and other connectivity services.

"SELECTIVE ROUTING" is a service which automatically routes an E911 call to the PSAP that has jurisdictional responsibility for the service address of the telephone that dialed 911, irrespective of telephone company exchange or wire center boundaries.

"SWITCH" -- See Central Office Switch

"TANDEM OFFICE SWITCHES" which are Class 4 switches which are used to connect and switch trunk circuits between and among end office switches and other tandems.

"TECHNICALLY FEASIBLE" Interconnection, access to Network Elements, collocation, and other methods of achieving interconnection or access to Network Elements at a point in the network shall be deemed technically feasible absent technical or operational concerns that prevent the fulfillment of a request by a telecommunications carrier for such interconnection, access, or methods. A determination of technical feasibility does not include consideration of economic, accounting, billing, space, or site concerns, except that space and site concerns may be considered in circumstances where there is no possibility of expanding the space available. The fact that an incumbent LEC must modify its facilities or equipment to respond to such request does not determine whether satisfying such request is technically feasible. An incumbent LEC that claims that it cannot satisfy such request because of adverse network reliability impacts must prove to the state Authority by clear and convincing evidence that such interconnection, access, or methods would result in specific and significant adverse network reliability impacts.

"TELECOMMUNICATIONS" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"TELECOMMUNICATION SERVICES" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used. As used in this definition.

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"THOUSANDS BLOCK OF NUMBERS" shall mean 1000 or more consecutive numbers beginning and ending on a digit boundary, e.g., 949-1000 to 949-1999.

"TRCO" means Trouble Reporting Control Office.

"VOLUNTARY FEDERAL CUSTOMER FINANCIAL ASSISTANCE PROGRAMS" are Telecommunications Services provided to low-income subscribers, pursuant to requirements established by the appropriate state regulatory body.

"WIRE CENTER"- denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more central offices, used for the provision of Basic Exchange Services and access services, are located. However, for purposes of EIC service, Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91 - 141, and rules adopted pursuant thereto.

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ATTACHMENT I

PRICE SCHEDULE

1. General Principles

1.1 All rates provided under this Agreement are interim, subject to true-up, and shall remain in effect until the Authority determines otherwise or unless they are not in accordance with all applicable provisions of the Act, the Rules and Regulations of the FCC in effect, or the Authority's rules and regulations, in which case Part A, Section 2 shall apply.

1.2 Except as otherwise specified in this Agreement, the Act or any Authority order, each Party shall be responsible for all costs and expenses that it incurs to comply with its obligation under this Agreement.

2. Local Service Resale

The rates that MCIm shall pay to BellSouth for Resale shall be an amount equal to BellSouth's tariffed rates for each resold service as reduced by a percentage amount equal to the wholesale discount (set forth below in section 2.1, below). If BellSouth reduces such tariffed rates during the term of this Agreement, the wholesale discount shall be applied to the reduced tariffed rates.

2.1 The following wholesale discount will apply to all Telecommunications Services available for resale in Tennessee:

For Resold Services Including Operator Services and Directory Assistance – 16%

For Resold Services Without Operator Services and Directory Assistance – 21.56%

3. Unbundled Network Elements

The charges that MCIm shall pay to BellSouth for Network Elements are set forth in Table 1 of this Attachment.

4. Ancillary Functions and Supporting Elements

The interim prices for collocation, AIN and other Ancillary Functions or Supporting Elements that MCIm shall pay to BellSouth are set forth in Table 1 of this Attachment.

5. Recorded Usage Data

The prices for Recorded Usage data are set forth in Table 1 of this Attachment.

6. Inside Wire

The price of the BellSouth Inside Wire Maintenance Plan purchased by MCIm for resale shall not be reduced by the wholesale discount.

7. Interconnection and Reciprocal Compensation

7.1 Compensation for the exchange of local traffic is set forth in Table 1 of this Attachment and shall be billed based on per-minutes-of-use and shall be measured in accordance with Attachment IV.

7.2 MCIm may choose to establish trunking to any given end office when there is sufficient traffic to route calls directly to such end office. If MCIm leases one-way trunks from BellSouth, MCIm will pay the transport charges for dedicated or common transport. For two-way trunks the charges will be shared equally by both parties.

7.3 Compensation for the termination of toll traffic and the origination of 800/888 traffic between the interconnecting parties shall be based on the applicable access charges in accordance with FCC Rules and Regulations in effect.

7.4 Where a toll call is completed through BellSouth Tennessee's INP arrangement (e.g., remote call forwarding, flexible DID, etc.) to MCIm's subscriber, MCIm shall be entitled to applicable access charges in accordance with FCC Rules and Regulations.

7.5 MCIm shall pay a transit rate as set forth in Table 1 of this Attachment when MCIm uses an BellSouth access tandem to terminate a call to a third party LEC or another local service provider. BellSouth shall pay MCIm a transit rate equal to the BellSouth rate referenced above when BellSouth uses an MCIm switch to terminate a call to a third party LEC or another local service provider.

TABLE 1
TENNESSEE RATES FOR UNBUNDLED NETWORK ELEMENTS

RATES FOR UNBUNDLED ELEMENTS

<u>Element</u>		<u>Recurring Rate</u>	
NID	per line, per month	0.56	
LOOP COMBINATION			
2w	per loop, per month	18.00	
4W	per loop, per month	18.00	
BR-ISDN	per loop, per month	18.00	
DS-1	per loop, per month	Available through resale until cost study is complete	
LOCAL SWITCHING			
Residence	per month, per port	1.90	
Business	per month, per port	1.90	
PBX	per month, per port	1.90	
Rotary	per month, per port	0	
Usage	per minute	0.0019	
END OFFICE SWITCHING			
LOCAL TERMINATION	per minute	0.0019	
COMMON TRANSPORT	per min., per link or term.	0.00036	
	per minute, per mile	0.00004	
DEDICATED TRANSPORT			
DS1 Local Channel	per local channel	133.81	
DS1 interoffice Channel	per facility term.	90.00	
	per mile	23.00	
	per DSO equivalent, per term	38.37	
	per DSO, equivalent, per mile	1.90	
Voice Grade Transport	per month	27.00	
	per mile (1-8)	1.90	
	per mile (9-25)	1.90	
	per mile (>25)	1.90	
TANDEM SWITCH	per minute	0.000676	
SIGNALING LINKS			
A Link	per link, per month	155.00	
D Link	per link, per month	Not Available/pending development of mediation device.	
STP	ISUP message	0.000023	
	TCAP message	0.00005	
	port	355.00	

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	usage surrogate	395.00	
SCP	signaling message	0	
	800 query	0.004	
	LIDB query (transport)	0.0003	
	LIDB query (validate)	0.038	
	AIN database		
		Not available/Pending development of mediation device.	
OPERATOR SERVICES			
Automated Calls	per call	0.15	
Operator Handled Calls	per call	0.30	
DA	per call	0.25	
DA Call Completion	per call	0.12	
Intercept	per call	0.15	
Busy Line Verification	per call	0.90	
Emergency Interrupt	per call	1.95	

ref

TABLE 1
TENNESSEE RATES FOR UNBUNDLED NETWORK ELEMENTS
TRANSPORT AND TERMINATION

Interconnection Through the BellSouth Tandem			
	<u>Units</u>	<u>Rate</u>	<u>Charge</u>
DS1 Local Channel - MCI to BellSouth serving office	1	133.81	133.81
DS1 Interoffice Channel - BellSouth serving office to BellSouth Tandem			
Per Channel	1	90.00	90.00
Per Channel, per mile	7	23.00	161.00
DS1 Total			384.81
DS1 per minute of use, at 216,000 minutes per DS1 per month			0.001782
Tandem Switching	1	0.0007	0.000676
Common Transport - per mile	7	0.00004	0.00028
Common Transport - Facilities Term.	1	0.00036	0.00036
End Office Switching	1	0.0019	0.0019
Total Interconnection Charge per minute			<u>0.0050</u>
Direct End Office Interconnection			
	<u>Units</u>	<u>Rate</u>	<u>Charge</u>
DS1 Local Channel - MCI to BellSouth serving office	1	133.81	133.81
DS1 Interoffice Channel - BellSouth serving office to BellSouth Term End Office			
Per Channel	1	90.00	90.00
Per Channel, per mile	10	23.00	230.00
DS1 Total			453.81
DS1 per minute of use, at 216,000 minutes per DS1 per month			0.002101
End Office Switching	1	0.0019	0.0019
Total Interconnection Charge per minute			<u>0.0040</u>

TABLE 1
TENNESSEE RATES FOR UNBUNDLED NETWORK ELEMENTS

RATES FOR UNBUNDLED ELEMENTS

Element		Non-Recurring Rate	
Loop Connection OR Local Switching OR Combination		Rates currently tariffed in A4.3.1	
Dedicated Transport			
DS1 Local Channel	First/Additional	866.97	486.83
DS1 Interoffice Channel	First/Additional	100.49	100.49
Voice Grade	First/Additional	96.00	96.00
Signaling Links			
A Link	Each	510.00	
D Link	Each	510.00	
Signal Control Point			
800 DATA BASE			
Reservation Charge, Per 800 number reserved	First/Additional	30.00	0.50
Establishment Charge, Per 800 number established with 800 Number Delivery	First/Additional	67.50	1.50
Establishment Charge, Per 800 number established with POTS Number Delivery	First/Additional	67.50	1.50
Change Charge, Per request	First/Additional	46.50	0.50
Customized Area of Service, Per 800 number	First/Additional	3.00	1.50
Multiple InterLATA Carrier Routing, Per carrier requested, per 800 number	First/Additional	3.50	2.00
Call Handling and Destination Features, Per 800 number	First/Additional	3.00	3.00
LIDB Database	Each	91.00	
AIN Database		Not Available/Pending development of mediation device	

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SERVICE CREATION TOOLS	MONTHLY / RECURRING	NONRECURRING
PortEdge Service Limited Service Offering		
1. Service Establishment (per state)		\$300.00
(a) Initial Setup	---	
2. Service Charge		
(a) Adwatch Service (per wire center)	\$4.95	\$20.00
(b) DesignEdge Service (per subscriber per state)		\$10.00
3. Port Connection		
(a) Dial/Shared Access	---	\$150.00
(b) ISDN Access	---	\$350.00
4. User Identification Codes		
(a) Per User ID Code	---	\$75.00
5. Security Card (per User ID Code)		
(a) Initial or Replacement	---	\$70.00
6. Storage		
(a) Per Unit	\$1.00	---
7. Session		
(a) Per Minute	\$0.03	---
8. Company Performed Session		
(a) Per Minute	\$2.00	---
DesignEdge Service Limited Service Offering		
1. Service Establishment Charge (per state)		
(a) Initial Setup	---	\$500.00
2. Trigger Access Charge (Per Trigger, per DN)		
(a) Terminating Attempt	---	\$10.00
(b) Off-hook Delay	---	\$10.00
(c) Off-hook Immediate	---	\$10.00
(d) 10-digit PODP	\$10.00	\$15.00
(e) CDP	---	\$10.00
(f) Feature Code	---	\$10.00
3. Basic Messagin Element Charge		
(a) Per basic messaging element	\$0.02	---
4. DesignEdge Type 1 Node Charge (per DesignEdge service subscription)		
(a) Per node, per basic messaging element	\$0.005	---
5. SCP Storage Charge (per PortEdge service account)		
(a) Per 100 Kilobytes (or fraction thereof)	\$1.00	---
6. DesignEdge service Monthly Report		
(a) Per DesignEdge service subscription	\$2.00	\$8.00
7. DesignEdge service Special Study		
(a) Per DesignEdge service subscription	---	\$10.00
8. DesignEdge service Call Event Report		
(a) Per DesigEdge service subscription	\$2.00	\$8.00
9. DesignEdge service Call Event Special Study		
(a) Per DesignEdge service subscription	\$---	\$10.00

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DARK FIBER		
-Per each foot-fiber dry fiber arrangement	---	\$1,808.19 - first
		\$922.95 - add'l
-Per each fiber strand per route mile or fraction thereof	\$241.00	---
LOOP DISTRIBUTION (2W VG)	\$9.79 (including NID) \$9.23 (excluding NID)	\$587.00 - first
		\$255.00 - add'l
LOOP CONCENTRATION		
Per Circuit	\$2.73	\$0
SELECTIVE ROUTING		
Per Line or PBX Trunk, each	\$0	\$5.00

TABLE 1 (continued)
PHYSICAL COLLOCATION

(all prices are interim at this time)

RATE ELEMENT	APPLICATION/DESCRIPTION	TYPE OF CHARGE	PRICE
Application fee	Applies per arrangement per location.	Non recurring	\$3,848.30
Space preparation fee	Applies for survey and design of space, covers shared building modification costs.	Non recurring	ICB ¹ Will not be less than \$1,788.00
Space construction fee	Covers materials and construction of optional cage in 100 square foot increments.	Non recurring	\$29,744.00 ²
Cable installation fee	Applies to per entrance cable	Non recurring	\$4,650.00
Floor space	Per square foot, for Zone A and Zone B offices respectively	Monthly recurring	\$9.31/\$8.38 ³
Power	Per ampere based on manufacturer's specifications.	Monthly recurring	\$5.14 per ampere
Cable support structure	Applies per entrance cable	Monthly recurring	\$13.35 per cable
POT bay	Optional Point of Termination bay; rate is per DS1/DS3 cross-connect respectively	Monthly recurring	\$1.20/\$5.00 ⁴
Cross connects	Per DS1/DS3 respectively	Monthly recurring	\$9.28/\$72.48
Security escort	First and additional half hour increments, per traffic rate in Basic time (B), Overtime (O), and Premium Time (P)	As required. This is a traffic charge.	\$41.00/\$25.00 B \$48.00/\$30.00 O \$55.00/\$35.00 P

VIRTUAL COLLOCATION

(all prices are interim at this time)

Rates tariffed by BellSouth in its FCC Tariff No. 1, Section 20.

¹ Will be determined at the time of the application based on building space modification requirements for shared space at the requested Central Office.

² Applies only to collocators who wish to purchase a steel-guage cage enclosure

³ List for Zone A offices is available upon request, amended monthly.

⁴ Applies when collocator does not supply their own POT bay.

TABLE 1 (continued)
RIGHTS OF WAY

(all prices are interim at this time)

The rates charged to MCIm for rights -of-way shall be the lowest rates negotiated by BellSouth for existing license agreements.

TABLE 1 (continued)
POLE ATTACHMENTS, CONDUIT AND DUCT OCCUPANCY

(all prices are interim at this time)

The rates charged to MCIm for pole attachments, conduit and duct occupancy shall be those that adhere to the FCC formula for pole attachments.

TABLE 1 (continued)
LOCAL NUMBER PORTABILITY

(all prices are interim at this time)

Remote Call Forwarding:	
Residential	\$1.25 per line, one path
Business	\$1.50 per line, one path
Each additional path	\$0.50
Non recurring to establish	\$25.00
Remote Call Forwarding	
LERG Reassignment	Price shall be as determined by the Tennessee Regulatory Authority.
Route Index - Portability Hub	Price shall be determined by the Tennessee Regulatory Authority.
Directory Number - Route Index	Price shall be as determined by the Tennessee Regulatory Authority.

TABLE 1 (continued)
RECORDED USAGE DATE

Recording Services (only applies to unbundled operator services messages), per message	\$0.008
Message Distribution, per message	\$0.004
Data Transmission, per message	\$0.001

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ATTACHMENT IV

INTERCONNECTION

Section 1. Local Interconnection Trunk Arrangement

A. One-way and two-way trunks. The parties may use either one-way or two-way trunking or a combination, as mutually agreed.

1.1 The parties shall initially reciprocally terminate local exchange traffic and IntraLATA/InterLATA toll calls originating on each other's networks as follows:

1.1.1 The parties shall make available to each other either one way or two-way trunks for the reciprocal exchange of combined local traffic and non-equal access IntraLATA toll traffic

1.1.2 Separate two-way trunks will be made available for the exchange of equal-access InterLATA or IntraLATA interexchange traffic that transits BellSouth's network, and local transit traffic to other LECs. Local transit traffic to other LECs shall only be assessed the local interconnection charge.

1.1.3 Separate trunks connecting MCIm's switch to each 911/E911 tandem.

1.1.4 Separate trunk group connecting MCIm's switch to BellSouth's operator service center for operator-assisted busy line interrupt/verify. MCIm, at its option, may establish trunks from its own operator services platform directly to BellSouth's operator service center.

1.1.5 Separate trunk group connecting MCIm's switch to BellSouth's directory assistance center in instances where MCIm is purchasing BellSouth's unbundled directory assistance service.

1.1.6 The parties shall attempt to develop a solution whereby local, interLATA and intraLATA traffic may all be combined on a single trunk group.

1.2 Interconnection Point

MCIm-BellSouth Tennessee Interconnection Agreement

1.2.1 BellSouth "Interconnection Point" or "IP" means the physical point that establishes the technical interface, the test point, and the operational responsibility hand-off between MCIm and BellSouth for the local interconnection of their networks. MCIm will separate traffic destined for different tandems onto separate trunk groups at the IP.

1.2.2 MCIm shall designate at least one IP in the LATA in which MCIm originates local traffic and interconnects with BellSouth. MCIm will be responsible for engineering and maintaining its network on its side of the IP. BellSouth will be responsible for engineering and maintaining its network on its side of the IP. If and when the parties choose to interconnect at a mid-span meet, MCIm and BellSouth will jointly provision the fiber optic facilities that connect the two networks and shall share the financial and other responsibilities for that facility.

1.2.2.1 Upon MCIm's request for additional points of interconnection, BellSouth will interconnect with MCIm at any Technically Feasible point on BellSouth's network of MCIm's choosing using the same technical configuration or using other arrangements, including but not limited to mutually agreed upon mid-span fiber meets, entrance facilities, telco closets, and physical or virtual collocation.

1.2.2.2 Within three (3) business days of MCIm's written request for IP, BellSouth shall identify any known Environmental Hazard or Hazardous Materials existing in the IP route or location.

1.2.2.3 BellSouth shall allow MCIm to perform any environmental site investigations, including, but not limited to, asbestos surveys, MCIm deems to be necessary in support of its collocation needs, at MCIm's request.

1.2.2.4 If interconnection is complicated by the presence of Environmental Hazards or Hazardous Materials, and an alternative route is available, BellSouth shall make such alternative route available for MCIm's consideration.

Section 2. Compensation Mechanisms

2.1 Interconnection Point

2.1.1 Each party is responsible for bringing their facilities to the IP.

MCIm-BellSouth Tennessee Interconnection Agreement

2.2 Compensation for Call Traffic Transport and Termination

2.2.1 The Parties shall bill each other reciprocal compensation at the rates set forth for Local Interconnection in this Agreement and the Order of the TRA. Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or a corresponding Extended Area (EAS) exchange. The terms Exchange and EAS exchanges are defined and specified in Section A3. Of BellSouth's General Subscriber Service Tariff.

2.2.1.1 BellSouth shall provide to MCIm, on diskette(s) or in any other manner that the parties agree to, on a one-time basis when requested by MCIm, an all-inclusive list (BellSouth, LEC, CLEC and EAS NXX's) of NXX's pertaining to section 2.2.1, above, that creates parity with that which BellSouth provides to itself. MCIm may require, upon request, updates to this list.

2.2.2 The IP determines the point at which the originating carrier shall pay the terminating carrier for the completion of that traffic. The following compensation elements shall apply:

2.2.2.1 "Transport", which includes the transmission and any necessary tandem switching of local telecommunications traffic from the interconnection point between the two carriers to the terminating carrier's end-office switch that directly serves the called end-user.

2.2.2.2 "Termination", which includes the switching of Local Traffic at the terminating carrier's end office switch.

2.3 When an MCIm subscriber places a call to BellSouth's subscriber, MCIm will hand off that call to BellSouth at the IP. Conversely, when BellSouth hands over local traffic to MCIm for MCIm to transport and terminate, BellSouth must use the established IP.

2.4 MCIm may designate an IP at any Technically Feasible point including but not limited to any electronic or manual cross-connect points, collocations, telco closets, entrance facilities, and mid-span meets where mutually agreed upon. The transport and termination charges for local traffic flowing through an IP shall be as follows:

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2.4.1 When calls from MCIm are terminating on BellSouth's network through the BellSouth tandem, MCIm will pay to BellSouth dedicated transport charges from the IP to the tandem for dedicated or common transport. MCIm shall also pay a charge for tandem switching, dedicated or common transport to the end office (with mileage calculated as the weighted average of all end offices subtending that tandem), and end-office termination.

2.4.2 When BellSouth terminates calls to MCIm's subscribers using MCIm's switch, BellSouth shall pay to MCIm dedicated transport charges from the IP to the MCI Switching Center for dedicated or common transport. BellSouth shall also pay to MCIm a charge symmetrical to its own charges for tandem switching, tandem-to-end-office transport, and end office termination as identified in Section 2.4.1.

2.4.3 MCIm may choose to establish direct trunking to any given end office. If MCIm leases trunks from BellSouth, it shall pay charges for dedicated or common transport. For calls terminating from MCIm to subscribers served by these directly-trunked end offices, MCIm shall also pay an end-office termination. For BellSouth traffic terminating to MCIm over the direct end office trunking, compensation payable by BellSouth shall be the same as that detailed in Section 2.4.2 above.

Section 3. Signaling

3.1 Signaling protocol. The parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394 including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features in the interconnection of their networks. All Network Operations Forum (NOF) adopted standards shall be adhered to.

3.2 The parties will provide CCS to each other in conjunction with all trunk groups supporting local, transit, and toll traffic. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signaling parameters will be provided including automatic number identification (ANI), originating line information (OLI), calling party category, charge number, etc. All privacy indicators will be honored.

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3.2.1 OSS7, while planned by BellSouth, is not presently available.

3.3 Refer to Attachment III, Section 15.5 for detailed terms of SS7 Network Interconnection.

3.4 Both parties agree that the standard interconnection facilities shall be Extended Superframe (ESF) with B8ZS line code. Where ESF/B8ZS is not available, MCIm will agree to using other interconnection protocols on an interim basis until the standard ESF/B8ZS is available. BellSouth will provide anticipated dates of availability for those areas not currently ESF/B8ZS compatible.

3.4.1 Where MCIm is unwilling to utilize an alternate interconnection protocol, MCIm will provide BellSouth an initial forecast of 64 Kbps Clear Channel Capability ("64K CCC") trunk quantities within 30 days of executing this Agreement, consistent with the forecasting agreements between the parties. Upon receipt of this forecast, the parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC Local Interconnection Trunk Groups, and the associated B8ZS Extended Super Frame ("ESF") facilities, for the sole purpose of transmitting 64K CCC data calls between MCIm and BellSouth. Where additional equipment is required, such equipment would be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for IXC, CLEC or ILEC internal subscriber demand for 64K CCC trunks. Where Technically Feasible, these trunks will be established as two-way.

Section 4. Network Servicing

4.1 Trunk Forecasting:

4.1.1 The parties shall work towards the development of joint forecasting responsibilities for traffic utilization over trunk groups. Orders for trunks that exceed forecasted quantities for forecasted locations will be accommodated as facilities and or equipment are available. Parties shall make all reasonable efforts and cooperate in good faith to develop alternative solutions to accommodate orders when facilities are not available. Intercompany forecast information must be provided by the parties to each other twice a year. BellSouth's forecast will be provided thirty (30) days following the receipt of the MCIm forecast. The semi-annual forecasts shall include:

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4.1.1.1 Yearly forecasted trunk quantities (which include measurements that reflect actual tandem and end office Local Interconnection and future meet point trunks and tandem-subtending Local Interconnection end office equivalent trunk requirements for no more than two years (current plus one year));

4.1.1.2 The use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;

4.1.1.3 Description of major network projects that affect the other party will be provided in the semi-annual forecasts. Major network projects include but are not limited to trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities by either party that are reflected by a significant increase or decrease in trunking demand for the following forecasting period.

4.1.2 Parties shall meet to review and reconcile their forecasts if forecasts vary significantly. The parties shall mutually agree to the over or under trunk group utilization prior to action being taken on the following;

4.1.2.1 If the parties are unable to reach such a reconciliation, the Local interconnection Trunk Groups shall be provisioned to the higher forecast. At the end of three months, the utilization of the Local Interconnection Trunk Groups will be reviewed and if the average CCS utilization for the third month is under seventy-five percent (75%) of capacity, either party may issue an order to resize the trunk group, which shall be left with not less than twenty-five percent (25%) excess capacity.

4.1.2.2 If the parties agree on the original forecast and then it is determined that a trunk group is under seventy-five percent (75%) of CCS capacity on a monthly-average basis for each month of any six-month period, either party may issue an order to resize the trunk group, which shall be left with not less than twenty-five percent (25%) excess capacity.

4.1.3 Each party shall provide a specified point or points of contact for planning Forecasting and trunk servicing purposes.

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4.1.4 Trunking can be established to tandems or end offices or a combination of both via either one-way or two-way trunks. Trunking will be at the DS-0 level, DS-1 level, DS-3/OC-3 level, or higher, as designated by MCIm. Initial trunking will be established between the MCIm switching centers and BellSouth's access tandem(s). The parties will utilize direct end office trunking under the following conditions:

4.1.4.1 Tandem Exhaust - If a tandem through which the parties are interconnected is unable to, or is forecasted to be unable to, support additional traffic loads for any period of time, the parties will mutually agree on an end office trunking plan that will alleviate the tandem capacity shortage and ensure completion of traffic between MCIm and ILEC subscribers.

4.1.4.2 Traffic volume - The parties shall install and retain direct end office trunking sufficient to handle actual or reasonably forecasted traffic volumes, whichever is greater, between an MCIm switching center and a BellSouth end office where the traffic exceeds or is forecast to exceed 220,000 minutes of local traffic per month. The parties will install additional capacity between such points when overflow traffic between the MCIm switching center and ILEC access tandem exceeds or is forecast to exceed 220,000 minutes of local traffic per month.

4.1.4.3 Mutual Agreement - The parties may install direct end office trunking upon mutual agreement in the absence of conditions (1) or (2) above and agreement will not unreasonably be withheld.

4.2 Grade Of Service:

4.2.1 A blocking standard of one percent (.01) during the average busy hour, as defined by each party's standards, for final trunk groups between a MCIm end office and a BellSouth access tandem carrying meet point traffic shall be maintained. All other final trunk groups are to be engineered with a blocking standard of one percent (.01). Direct end office trunk groups are to be engineered with a blocking standard of one percent (.01). The blocking standard of one half of one percent (.005) will be used on trunk groups carrying interlata traffic.

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4.2.2 For trunks carrying MCIm interlata traffic, MCIm may request BellSouth to report trunk group service performance and blocking standards to the industry.

4.3 Trunk Servicing

4.3.1 Orders between the parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request (ASR), or another industry standard eventually adopted to replace the ASR for local service ordering.

4.3.2 As discussed in this Agreement, both parties will jointly manage the capacity of Local Interconnection Trunk Groups. BellSouth's or MCIm's Trunk Servicing Group will send a Trunk Group Service Request (TGSR) to the other party to trigger changes they desire to the Local Interconnection Trunk Groups based on their capacity assessment. The affected party will issue an ASR to the other party:

4.3.2.1 within ten (10) business days after receipt of the TGSR upon review of and in response to BellSouth's TGSR, or

4.3.2.2 at any time as a result of either party's own capacity management assessment, to begin the provisioning process.

4.3.3 The standard interval used for the provisioning of Local Interconnection Trunk Groups shall be determined by Subscriber Desired Due Date, but in no event shall it be longer than ten (10) working days.

4.3.4 Orders that comprise a major project that directly impacts the other party may be submitted at the same time, and their implementation shall be jointly planned and coordinated. Major projects are those that require the coordination and execution of multiple orders or related activities between and among BellSouth and MCIm work groups, including but not limited to the initial establishment of Local Interconnection or Meet Point trunk groups and service in an area, NXX code moves, re-homes, facility grooming, or network rearrangements.

4.3.5 MCIm and BellSouth agree to exchange escalation lists which reflect contact personnel including vice president-level officers. These lists shall include name, department, title, phone

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number, and fax number for each person. MCIm and BellSouth agree to exchange an up-to-date list on a quarterly basis.

Section 5. Network Management

5.1 Protective Protocols

5.1.1 Either party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward each others network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. MCIm and BellSouth will immediately notify each other of any protective control action planned or executed.

5.2 Expansive Protocols

5.2.1 Where the capability exists, originating or terminating traffic reroutes may be implemented by either party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when mutually agreed to by the parties.

5.3 Mass Calling

5.3.1 MCIm and BellSouth shall cooperate and share pre-planning information, where available, regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network. Parties agree that permanent controls should be in place for NXX's that are dedicated for media stimulated mass calling.

Section 6. Busy Line Verify And Interrupt

6.1 Description: Each party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other party in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users on or before the effective date of this agreement.

6.2 Compensation: Each party shall charge the other party for BLV and BLVI at rates specified in Attachment I.

Section 7. Usage Measurement

7.1 Each party shall calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each party's network. These recordings being necessary for each party to generate bills to the other party.

7.2 Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.

7.3 Where MCIm provides local exchange services via switch facilities, each party shall provide to the other, within 20 calendar days after the end of each BellSouth fiscal quarter (commencing with the first full fiscal quarter after the effective date of this agreement), a usage report with the following information regarding traffic originating from facilities provided by the originating party and terminated over the Local Interconnection Trunk Groups:

7.3.1 Total traffic volume described in terms of minutes and messages and by call type (local, toll, and other) at the state level terminated to each other over the Local Interconnection Trunk Groups and

7.3.2. Percent Local Use (PLU)

Section 8. Responsibilities Of The Parties

8.1 BellSouth and MCIm agree to treat each other fairly, nondiscriminatorily, and equally for all items included in this Agreement, or related to the support of items included in this Agreement.

8.2 MCIm and BellSouth agree to exchange such reports and/or data as provided in this Attachment in Section 7.3 to facilitate the proper billing of traffic. Either party may request an audit of such usage reports on no fewer than 10 business days' written notice and any audit shall be accomplished during normal business hours at the office of the party being audited. Such audit must be performed by a mutually agreed-to independent auditor paid for by the party requesting the audit and may include review of the data described in Section 7 above. Such audits shall be requested within six months of having received the PLU factor and usage reports from the other party.

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8.3 MCIm and BellSouth will review engineering requirements on a semi-annual basis and establish forecasts for trunk and facilities utilization provided under this Agreement. BellSouth and MCIm will work together to begin providing these forecasts within 30 days from the Effective Date of this Agreement. New trunk groups will be implemented as dictated by engineering requirements for either BellSouth or MCIm.

8.4 MCIm and BellSouth shall share responsibility for all Control Office functions for Local Interconnection Trunks and Trunk Groups, and both parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

8.5 MCIm is responsible for all Control Office functions for the meet point trunking arrangement trunks and trunk groups, and shall be responsible for the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

8.6 MCIm and BellSouth shall:

8.6.1 Provide trained personnel with adequate and compatible test equipment to work with each other's technicians.

8.6.2 Notify each other when there is any change affecting the service requested, including the due date.

8.6.3 Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order, meet agreed-upon acceptance test requirements, and are placed in service by the due date.

8.6.4 Perform sectionalization to determine if a trouble is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other.

8.6.5 Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks.

8.6.6 Provide each other with a trouble reporting/repair contact number that is readily accessible and available 24 hours/7 days a week. Any changes to this contact arrangement must be immediately provided to the other party.

8.6.7 Provide to each other test-line numbers and access to test lines.

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8.6.8 Cooperatively plan and implement coordinated repair procedures for the mutually agreed upon meet point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner.

8.6.9 The parties shall meet and mutually agree to network protocols which include but are not limited to glare parameters, number of digits outpulsed, OZZ codes and 800 CIC codes in use.

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
		PRE-FCC ISP TRAFFIC ORDER							
Arkansas	#####	Connect Communications Corporation, Complaint vs. Southwestern Bell Telephone Company, Respondent	Docket No. 98-167-C Order No. 6	Connect v. SWBT	The Commission ruled that traffic terminated to ISPs constitute local calls and are subject to the recip comp provisions of the ICA. The Commission ordered SWBT to pay all past due recip comp amounts to Connect for ISP traffic.	YES	PSC	COMPLAINT	
Arizona	#####	In the Matter of the Petition of MFS Communications Company, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions with US West Communications, Inc., Pursuant to 47 U.S.C. Sec. 252(b) of the Telecommunications Act of 1996.	Docket No. U 2752-96-362 Docket No. E 1051-96-362 Decision No. 59872	MFS v. US West	The Commission ruled in favor of MFS that traffic terminated to ISPs will continue to be treated as local traffic subject to the recip comp provisions of the ICA.	YES	ACC	ARBITRATION	
California	10/22/98 7/22/99	Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service AND Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service	Rulemaking 95-04-043 Investigation 95-04-044	CLEC Coalition v. Pac Bell and GTE.	In its 10/22/98 Order, the Commission affirmed its jurisdiction over calls to ISPs and determined that such calls are subject to the compensation provisions of the applicable ICAs. In response to motions for rehearing filed by GTE and Pac Bell, the Commission issued its 7/22/99 Decision which (a) denied Pac Bell's request for oral argument, (b) corrected its previous jurisdictional rationale in light of the FCC's Order, (c) reaffirmed its prior conclusion that ISP calls are subject to the relevant compensation mechanism contained in the ICAs and (d) stated its intention to clarify in future rulings the definition of local calls as dependent on the distance between the rate centers of the called and calling parties.	YES	PUC	DECLARATORY RULING	
Colorado	#####	In the Matter of Petition of MFS for Arbitration Pursuant to 47 U.S.C. Sec. 252(b) of Interconnection Rates, Terms, and Conditions with US West.	Docket No. 96A-287T Decision No. C96-1185	MFS v. US West		have only odd numbered pages	PUC	ARBITRATION	
Colorado	#####	US West Communications, Inc. v. Hix	No. 97-D-152	Hix v. US West	Colorado PSC ruled on 11/5/96 in Arbitration between MFS and US West that reciprocal compensation shall be paid on ISP-bound traffic. On 1/24/97 US West filed action in U.S. District Court challenging PSC's decision. Court arguments deferred until atleast 11/99.		PUC	ARBITRATION	US West filed in U.S District Court-District of Colorado

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Connecticut	#####	<i>Petition of the Southern New England Telephone Company for a Declaratory Ruling Concerning Internet Service Provider Traffic</i>	Docket No. 97-05-22	Generic	The Department ruled that local calls to ISPs are subject to recip comp pursuant to the DPUC's Decision issued 1/7/96 in Docket No. 94-10-02 and that SNET's position of not applying recip comp to ISP-bound calls would be discriminatory and inconsistent with the Act and Conn. Gen. Stat. Sec. 16-247a. The DPUC also denied SNET's request to reconsider its 94-10-02 Decision.	YES	DPUC	GENERIC DOCKET	
Delaware	???	<i>MCI arbitration</i>	Docket No. 97-323	MCImetro v. BA	The arbitrator concluded that ISP traffic was local and eligible for recip comp.	NO	PSC	ARBITRATION	
Florida	#####	<i>Complaint of WorldCom Technologies, Inc., against BellSouth Telecommunications, Inc., for Breach of Terms of Florida Partial Interconnection Agreement Under Sections 251 and 252 of the Telecommunication Act of 1996 and Request for Relief et. al.</i>	Docket No. 971478-TP Order No. PSC-98-1216-FOF-TP	MFS v BellSouth, MCImetro v. BellSouth, TCG v. BellSouth, Intermedia v. BellSouth	PSC ruled on the plain language of the ICA and the effective law that ISP traffic was intended to be rated and billed as local traffic and subject to recip comp obligations of the ICA.	YES	PSC	COMPLAINT	BellSouth appealed to Federal District Court for the Northern District of Florida
Georgia	#####	<i>Complaint of MFS Intelenet of Georgia, Inc. Against BellSouth Telecommunications, Inc., and Request for Immediate Relief.</i>	Docket No. 8196-U	MFS v. BellSouth	Complaint filed on 10/10/97. Commission affirmed Hearing Officer's 5/29/98 Order and construed the ICA to mean that ISP traffic is local, subject to the Commission's jurisdiction and, is eligible for reciprocal compensation. Commission stated that "these conclusions shall have precedential effect." Commission stated its intent to open a generic docket to investigate whether a new recip comp policy should be adopted on a prospective basis.	YES	PSC	COMPLAINT	BellSouth filed Petition in U.S. District Court for the Northern District of Georgia, Atlanta Division (1:99-CV-0249-JOF)
Georgia	#####	<i>Petition of MCImetro for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996.</i>	Docket No. 6865-U	MCImetro v. BellSouth	Complaint to enforce recip comp provision (and other provisions) of ICA was filed on 11/14/97. The Commission's Order found that calls to ISPs are local within the definition of the ICA and that, therefore the recip comp provisions of the ICA apply to this traffic.	YES	PSC	COMPLAINT	BellSouth filed Petition in U.S. District Court for the Northern District of Georgia (1:99-CV-0248-JOF)
Georgia	#####	<i>Complaint of Intermedia Communications, Inc. against BellSouth Telecommunications, Inc. for Breach of Terms of Georgia Partial Interconnection Agreement under Sections 251 and 252 of the Telecommunication Act of 1996, and Request for Relief.</i>	Docket No. 9920-U	Intermedia v. BellSouth	Complaint filed on 9/15/98. The Commission reiterated its previous findings that (a) ISP traffic is local, (b) subject to the Commissions jurisdiction, and (c) subject to the recip comp provisions of the ICA. It also relied on the precedential ruling in Docket 8196-U (MFS Complaint) that reciprocal compensation is to be paid on ISP-bound traffic	YES	PSC	COMPLAINT	

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Hawaii			Docket No. 7702		The Commission found that calls terminating at ISPs constitute local traffic and are eligible for recip comp.	NO			
Illinois	#####	Teleport Communications Group, Inc. v. Illinois Bell Telephone Company.	Docket No. 97-0404 Docket No. 97-0519 Docket No. 97-0525	Teleport v. AIT WorldCom v. AIT MCI v. AIT	The ICC ruled that calls to ISPs constitute local calls that are eligible for recip comp and Ordered AIT to pay each of the complainants all withheld recip comp payments plus interest pursuant to the respective ICAs.	YES	ICC	COMPLAINT	
Indiana	#####	In The Matter Of The Complaint Of Time Warner Communications Of Indiana, L.P. Against Indiana Bell Telephone Company, Inc., d/b/a Ameritech Indiana, For Violation Of The Terms of the Interconnection Agreement, Order on Reconsideration.	Cause No. 41097	Time Warner v. AIT	IURC ruled that calls to ISPs are local traffic under the ICA and recip comp shall be paid for termination of such traffic. IURC denied Ameritech's request for rehearing of its 2/3/99 Decision requiring the payment of reciprocal compensation for ISP traffic.	NO	URC	COMPLAINT	
Maryland	#####	Complaint Against Bell Atlantic-Maryland, Inc. for Breach of Interconnection Terms, and Request for Immediate Relief.		MFS v. BA	The Commission's letter ruling in the Complaint filed on 5/22/97 for nonpayment, the Maryland Commission ruled that MFS is entitled to recip comp for calls terminated to ISPs pursuant to its ICA. The letter ruling ordered BA to pay all past due amounts within 15 days and to make timely payment going forward. BA's Petition for Reconsideration filed on 9/2/97 was rejected by PSC letter order issued on 10/1/97.	YES	PSC	COMPLAINT	
Massachusetts	#####	Complaint of WorldCom Technologies, Inc., (successor in interest to MFS Intelenet Service of Massachusetts, Inc.) against New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for alleged breach of interconnection terms entered into under Sections 251 and 252 of the Telecommunications Act of 1996	D.T.E. 97-116	MFS v. BA	The Commission ruled that ISP-bound traffic is local traffic and eligible for reciprocal compensation.	YES	DTE	COMPLAINT	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Michigan	#####	<i>In the matter of the application for approval of an interconnection agreement between Brooks fiber communications of Michigan, Inc., and Ameritech Information Industry Services on behalf of AMERITECH MICHIGAN.</i>	Case Nos. U-1178, U-11502, U-11522, U-11553	Brooks Fiber v. AIT, MFS v. AIT, MCIm v. AIT, TCG v. AIT	PSC ruled that recip comp is due on ISP-bound traffic pursuant to the language of the respective ICAs. Case was initiated by 8/21/97 motion for a declaratory ruling and resolution of complaint filed by TCG and was consolidated with complaints filed by MFS (Case No. U-11522, filed on 9/18/97), MCImetro (Case No. U-11544, filed on 10/7/97), and Brooks Fiber (Case No. U-11553, filed on 10/8/97) consolidating several individual CLEC complaints against Ameritech. Ameritech appealed the PSC's Decision to U.S. District Court for the Western District of Michigan and to the Michigan Court of Appeals. The Appeals Court case was dismissed and AIT took that decision to the Michigan Supreme Court.	YES	PSC	COMPLAINT	AIT filed appeal to U.S. District Court for the Western District of Michigan and with Michigan Court of Appeals
Minnesota	#####	<i>In the Matter of the Consolidated Petitions of AT&T Communications of the Midwest, Inc., MCImetro Access Transmission Services, Inc., and MFS Communications Company for Arbitration with US West Communications, Inc. Pursuant to Section 252(b) of the Federal Telecommunications Act of 1996.</i>	Docket No. P-442, 421/M-96-855 Docket No. P-5321, 421/M-96-909 Docket No. P-3167, 421/M-96-729	AT&T v. US West MCImetro v. US West MFS v. US West	The Commission adopted reciprocal rates for termination of local traffic between US West and the CLECs and rejected bill and keep.	YES	PUC	ARBITRATION	
Nebraska	#####	<i>In the Matter of the Commission, on its own motion, to conduct an investigation of the interstate or local characteristics of Internet service provider traffic.</i>	Case No. C-1960	ICG v. US West	The Commissions Order approving the ICA between ICG and US West subjects calls to IPS to the recip comp provisions. US West filed a complaint against ICG claiming that ICG has failed to pay access charges to US West on calls terminating at ISPs. The Commission has denied ICG's motion to dismiss US West's complaint and will schedule a hearing to take evidence on the payment of ISP-bound traffic in the context of the ICG agreement and in the generic docket (Case No. FC-1266) opened for that purpose.	YES	PSC	ARBITRATION	

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DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
New York #####	Proceeding on Motion of the Commission to Investigate Reciprocal Compensation Related to Internet Traffic. Petition of Rochester Telephone Corp. for Approval of a New Multiyear Rate Stability Agreement. Petition of Rochester Telephone Corp. for Approval of a Proposed Restructuring Plan. Complaint of MFS Intelenet of New York, Inc. Against New York Telephone Company Concerning Alleged Breach of Interconnection Terms. Complaint of ACC National Telecom Corp. Against New York Telephone Company Concerning Alleged Breach of the Terms of its P.S.C. Tariff No. 914. Complaint of Cablevision Lightpath, Inc. Against New York Telephone Company Concerning Alleged Intention to Deny Reciprocal Compensation Payments for Certain Local Traffic.	Case No. 97-C-1275 93-C-0033 97-C-0103 97-C-0895 07-C-0918 97-C-0979	Generic MFS v. BA ACC v. BA Cablevision v. BA	The PSC's Order denied the requests of Rochester and BA to change or deviate from the treatment of recip comp for ISP traffic embodied in the respective ICAs., tariffs and incentive regulation plans.	YES	PSC	COMPLAINT	
New York #####	Proceeding on Motion of the Commission to Investigate Reciprocal Compensation Related to Internet Traffic.	Case 97-C-1275	Generic MFS v. BA ACC v. BA Cablevision v. BA	The PSC concluded that BA and Frontier have failed to show that ISP traffic is sufficiently different from other local traffic to justify excluding it from the ILECs' recip comp obligations. Case 99-C-0529 was initiated on 4/15/99 to reexamine the recip comp issue. On 3/2/99, BA filed a Motion to re-open Case 97-C-1275.	YES	PSC	COMPLAINT	
North Carolina #####	Order Concerning the Reciprocal Compensation for ISP Traffic		Intermedia v. BellSouth	Commission ruled in Intermedia's favor. Commission stayed its order on 11/24/98. BellSouth filed a request for Stay at the U.S. District Court for the Western District of North Carolina.	NO	UC	COMPLAINT	BellSouth filed for stay in the U.S. District Court for the Western District of North Carolina. (3:99CV05-MU)
North Carolina #####	In the Matter of Interconnection Between BellSouth Telecommunications, Inc. and US Lec of North Carolina, L.L.C.	Docket No. P 55, Sub 1027	US Lec v. BellSouth	The UC ruled that calls to ISPs are local calls and subject to the recip comp provisions of the ICA.	YES	UC	COMPLAINT	

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
North Carolina	#####	<i>In the Matter of MCI Metro Access Transmission Services, Inc., Complainant v. BellSouth Telecommunications, Inc., Respondent</i>	Docket No. P 55, SUB 1094	MCI Metro v. BellSouth	In a complaint filed by MCI Metro on 4/23/98, the Commission ruled that BellSouth is required to pay all past due reciprocal compensation on traffic terminated to ISPs plus interest and to pay all prospective reciprocal amounts pursuant to the ICA. BellSouth appealed the Decision to the U.S. District Court for the Western District of North Carolina. The Federal Court dismissed the suit and remanded the matter back to the Utilities Commission.	YES	UC	COMPLAINT	BellSouth appealed the Decision to the U.S. District Court for the Western District of North Carolina.
Ohio	8/27/98 5/5/99	<i>In the Matter of the Complaint of ICG Telecom Group, Inc., Complainant, v. Ameritech Ohio, Respondent. Regarding the Payment of Reciprocal Compensation.</i>	Case No. 97-1557-TP-CSS	ICG v. AIT,	The Commission ruled that recip comp was due on ISP-bound traffic pursuant to the language of the ICA. AIT filed motion for rehearing and the cases involving ICG, MCI Metro, and Time Warner were consolidated. Commission issued an Order on 5/5/99 affirming its earlier rulings in the separate cases. AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.	YES	PUC	COMPLAINT	AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.
Ohio	10/14/98 5/5/99	<i>In the Matter of the Complaint of MCI Metro Access Transmission Services, Inc., Complainant, v. Ameritech Ohio, Respondent.</i>	Case No. 97-1723-TP-CSS	MCI Metro v. AIT	The Commission ruled that recip comp was due on ISP-bound traffic pursuant to the language of the ICA. AIT filed motion for rehearing and the cases involving ICG, MCI Metro, and Time Warner were consolidated. Commission issued an Order on 5/5/99 affirming its earlier rulings in the separate cases. AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.	YES	PUC	COMPLAINT	AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.
Ohio	10/14/98 5/5/99	<i>In the Matter of the Complaint of Time Warner Communications of Ohio, L.P., Complainant, v. Ameritech Ohio, Respondent.</i>	Case No. 98-308-TP-CSS	Time Warner v. AIT	The Commission ruled that recip comp was due on ISP-bound traffic pursuant to the language of the ICA. AIT filed motion for rehearing and the cases involving ICG, MCI Metro, and Time Warner were consolidated. Commission issued an Order on 5/5/99 affirming its earlier rulings in the separate cases. AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.	YES	PUC	COMPLAINT	AIT appealed the Decision to the U.S. Court for the Southern District of Ohio.

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Oklahoma	#####	<i>In the Matter of Brooks Fiber Communications of Oklahoma, Inc. et al. For an Order Concerning Traffic Terminating to Internet Service Providers and Enforcing Provisions of the Interconnection Agreement with Southwestern Bell Telephone Company.</i>	Case No. PUD 970000548 Order No. 423626	Brooks Fiber v. SBC	The Oklahoma Corporation Commission ruled in favor of Brooks Fiber in its dispute with SBC. SBC appealed the Decision to the U.S. District Court for the Northern District of Oklahoma and also filed and also at the State's Supreme Court. The state court appeal was dismissed by the Oklahoma Supreme Court.	YES	CC	COMPLAINT	SBC appealed the Decision to the U.S. District Court for the Northern District of Oklahoma and also filed and also at the State's Supreme Court.
Oregon	#####	<i>Petition of MFS Communications Company, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. Sec. 252(b) of the Telecommunications Act of 1996.</i>	Order No. 96-324	MFS v. US West	The Commission accepted the Arbitrator's ruling that calls to ISP shall be treated as local calls subject to the recip comp provisions of the ICA.	YES	PUC	ARBITRATION	
Oregon	#####	<i>US West Communications, Inc. v. WorldCom Technologies, Inc.</i>	Civil No. 97-857-JE	WCOM v. US West	The Court upheld the Commission's decision in the arbitration case by finding that the requirement to pay recip comp on ISP-bound traffic does not violate the Act or any binding FCC regulation.	NO	Federal District Court	ARBITRATION	
Pennsylvania	#####	<i>Petition for Declaratory Order of TCG Delaware Valley, Inc. for Clarification of Section 5.7.2 of its Interconnection Agreement with Bell Atlantic-Pennsylvania, Inc.</i>	Docket No. P 00971256	TCG v. BA	In its Order, the PUC denied BA's request for hearing and ruled that ISP-bound traffic is local traffic pursuant to the language of the ICA and that such traffic shall be compensated pursuant to the recip comp provisions of the ICA. The PUC has not ruled on BA's Petition for Reconsideration filed on 6/21/99.	YES	PUC	COMPLAINT	
Tennessee	#####			Brooks Fiber v. BellSouth	The Tennessee Regulatory Authority ruled that reciprocal compensation is payable on ISP-bound traffic. On 9/1/98, BellSouth filed an appeal in U.S. District Court for the Middle District of Tennessee, and on 9/18/98 filed a motion to stay the TRA's Decision.	NO	TRA	COMPLAINT	BellSouth filed an appeal in U.S. District Court for the Middle District of Tennessee

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DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Texas	##### Complaint and Request for Expedited Ruling for Time Warner Communications	Docket No. 18082	Time Warner v. SBC	The Texas Public Utilities Commission ruled in favor of Time Warner in its Complaint (filed 10/7/97) by finding that recip comp is due on ISP-bound traffic pursuant to the ICA approved on 11/7/97. The Commission ordered SBC to pay all past due recip comp amounts plus interest. SBC filed suit in U.S. District Court for the Western District of Texas. On June 16, 1998, the Court affirmed the PUC's Decision. SBC appealed the District Court Decision to the Fifth Circuit Court.	YES	PUC	COMPLAINT	SBC filed suit in U.S. District Court for the Western District of Texas. On June 16, 1998, the Court affirmed the PUC's Decision. SBC appealed the District Court Decision to the Fifth Circuit Court.
Utah	##### In the Matter of Complaint against US West by Electric Lightwave Requesting Utah Public Service Commission to Enforce Interconnection Agreement.	Docket No. 98-049-36	Electric Lightwave v. US West	In the Complaint filed on 11/23/98, the Commission Ordered US West to comply with the terms of its ICA with Electric Lightwave and pay recip comp on all local traffic including traffic terminating at ISPs.	YES	PSC	COMPLAINT	
Virginia	##### Petition of Cox Virginia Telecom, Inc. for Enforcement of Interconnection Agreement with Bell Atlantic-Virginia, Inc. and Arbitration Award for Reciprocal Compensation for the Termination of Local Calls to Internet Service Providers.	Case No. PUC 97-0069	Cox v. BA	In the Complaint filed by Cox on 6/13/97, the Commission ruled that calls to ISP are local calls pursuant to the Cox/BA ICA and that recip comp must be paid on such calls.	YES	SCC	COMPLAINT	
Washington	##### In the Matter of the Petition for Arbitration of an Interconnection Agreement Between MFS Communications Company, Inc. and US West Communications, Inc. Pursuant to 47 USC Sec. 252.	Docket No. UT-960323	MFS v. US West	On 11/8/96 the Washington Utilities and Transportation Commission issued an order in the US WEST/MFS arbitration case and ruled that recip comp is payable on ISP-bound traffic. On 2/7/97, US West challenged the WUTC Decision in the U.S. District Court for the Western District of Washington. On 1/7/98 the Court granted a summary judgment in favor of WCOM. On 2/5/98, US West filed a notice of appeal in the U.S. Court of Appeals for the Ninth District. The Appellate Court case has been briefed and remains pending without a decision.	YES	UTC	ARBITRATION	US West filed an appeal in the U.S. Court of Appeals for the Ninth District.
West Virginia	##### MCI Telecommunications Corporation Petition for Arbitration of Unresolved Issues for the Interconnection Negotiations Between MCI and Bell Atlantic-West Virginia, Inc.	Case No. 97-1210-T-PC	MCImetro v. BA	The Commission ruled that ISP traffic is local and subject to the recip comp provisions of the ICA.	YES	PUC	ARBITRATION	

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DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Wisconsin	##### Contractual Dispute About the Terms of an Interconnection Agreement Between Ameritech Wisconsin and TCG Milwaukee, Inc.	5837-TD-100 6720 TD-100	TCG v. AIT	In a letter ruling, the Commission ruled that calls to ISPs constitute local traffic under the ICA and are subject to the recip comp provisions of the ICA. The Commission ordered Ameritech to immediately pay all past due recip comp amounts with interest within 10 days and resume recip comp payments in accordance with the ICA.	YES	PSC	COMPLAINT	AIT file case at U.S. District Court for the Western District of Wisconsin. (98-C-366-C)
POST-ECG DECISIONS FINAL								
Alabama	##### In Re: Emergency Petitions Of ICG Telecom Group Inc. And ITC DeltaCom Communications, Inc. For a Declaratory Ruling.	Docket No. 26619	ICG v. BellSouth ITC v. BellSouth	The ICG and ITC cases were consolidated by Order of the Commission dated 8/6/98. PSC ruled that reciprocal compensation on ISP-bound traffic is due under existing agreements. The PSC ordered BellSouth to pay all withheld recip comp amounts owed to ICG, KMC and Intermedia within 20 days and to continue making timely recip comp payments throughout the duration of the pertinent ICAs.	YES	PSC	COMPLAINT	
Alabama	##### Emergency Petitions of ICG Telecom Group, Inc. and ITC DeltaCom Communications, Inc., for a Declaratory Ruling Application of ICG Telecom Group, Inc., for Partial Reconsideration.	Docket No. 26619	ICG v. BellSouth ITC v. BellSouth	In a reconsideration of its 3/4/99 Order which the Commission upheld its previous ruling requiring BellSouth to pay recip comp to ITC DeltaCom and KMC on traffic terminated at ISPs.		PSC	DECLARATORY RULING	
California	##### In the Matter of the petition of Pacific Bell for arbitration of an interconnection agreement with Pac-West Telecomm, Inc. (U 5266 C) pursuant to Section 256(b) of the Telecommunications Act of 1996, Application 98-11-024 (filed November 16, 1998).	Docket No. 98-11-024	Pac-West v. Pacific Bell	California PUC adopted in the Final Arbitrator's Report (issued 4/23/99), and approved an Interconnection Agreement between PacBell and Pac-West Telecomm. In doing so, maintained its current policy of holding PacBell responsible for reciprocal compensation payments for ISP-bound traffic. On 7/16/99, PacBell filed for rehearing of the Commission's ruling.	YES	PUC	ARBITRATION	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
California	#####	Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service AND Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service	Rulemaking 95-04-043 Investigation 95-04-044	CLEC Coalition v. Pac Bell and GTE.	In its 10/22/98 Order, the Commission affirmed its jurisdiction over calls to ISPs and determined that such calls are subject to the compensation provisions of the applicable ICAs. In response to motions for rehearing filed by GTE and Pac Bell, the Commission issued its 7/22/99 Decision which (a) denied Pac Bell's request for oral argument, (b) corrected its previous jurisdictional rationale in light of the FCC's Order, (c) reaffirmed its prior conclusion that ISP calls are subject to the relevant compensation mechanism contained in the ICAs and (d) stated its intention to clarify in future rulings the definition of local calls as dependent on the distance between the rate centers of the called and calling parties.	YES	PUC	DECLARATORY RULING	
Colorado	#####	ICG Telecom Group, Inc. v. US West Communications, Inc.	Docket No. 98F-299T	ICG v. US West	The Commission unanimously approved an ALJ Decision that recip comp is to be paid on calls that terminate at ISPs.	NO	PUC	COMPLAINT	
Delaware	#####	In the Matter of the Petition of Sprint Communications Company, L.P., to have Bell Atlantic-Delaware, Inc. include appropriate language in its interconnection agreement contract with Sprint concerning internet service provider traffic and reciprocal compensation.	Docket No. 314-99	Sprint v. BA	Complaint filed by Sprint on 1/11/98 charging BA with refusal to include language in the interconnection agreement which would require payment of recip comp on ISP-bound traffic. The Commission ordered the parties to negotiate and arbitrate if necessary, a resolution to the recip comp issue.	YES	PSC	COMPLAINT	
Delaware	5/11/99	In The Matter Of The Petition Of Global NAPS South, Inc. For the Arbitration Of Unresolved Issues From the Interconnection Negotiations with Bell Atlantic- Delaware, Inc. (Filed December 9, 1998),	Docket No. 98-540 Order No. 5092	Global NAPS v. BA	On 3/9/99 an Arbitrator's ruling was issued permitting Global NAPS to opt into the MFS Agreement which requires the payment of reciprocal compensation on ISP-bound traffic. On 5/11/99 the PSC upheld the Arbitrator's ruling. On 7/29/99, BA brought a suit to the U. S. District Court in Wilmington, DE seeking to overturn the Commission's ruling.	YES	PUC	ARBITRATION	On 7/29/99, BA brought a suit to the U. S. District Court in Wilmington, DE.
Florida	#####	Request for arbitration concerning complaint of American Communication Services of Jacksonville, Inc., d/b/a e-spire Order No. PSC-99-0658-FOF-TP	Docket No. 981008-TP Order No. PSC-99-0658-FOF-TP	e-spire v. BellSouth	Complaint filed by e-spire on 8/6/98. Commission ruled on the basis of the intent of the parties and on the language of the ICA, that ISP-bound traffic was local and subject to the reciprocal compensation provisions of the ICA. BellSouth's motion for reconsideration was denied by the Commission in a ruling issued 7/29/99.		PSC	COMPLAINT	
Florida	7/19/99	US LEC has filed petitions seeking collections of withheld recip comp amounts		US LEC v. BellSouth			PSC	COMPLAINT	

STATE RECIPROCAL COMPENSATION DECISIONS

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Florida	#####	<i>Petition by ICG Telecom Group, Inc., for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc., pursuant to Section 252(b) of the Telecommunications Act of 1996.</i>	Docket No. 990691-TP	ICG v. BellSouth	Final Order to be issued by 9/20/99. Issues include recip comp, EELs, provision of packet switched services as UNEs, liquidated damages for failure to meet performance benchmarks, directory listing updates, volume and terms discounts for UNEs		PSC		
Florida	#####	<i>Petition of MediaOne Florida Telecommunications, Inc., for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc., pursuant to Section 252(b) of the Telecommunications Act of 1996.</i>	Docket No. 990149-TP	MediaOne v. BellSouth	Hearing on 7/9/99. Issues include recip comp for ISP-bound traffic.		PSC		
Florida	#####	<i>Request for arbitration concerning complaint of Intermedia Communications, Inc., against GTE Florida Incorporated for breach of terms of Florida partial interconnection agreement under Section 251 and 252 of the Telecommunications Act of 1996, and requests for relief.</i>	Docket No. 980986-TP	Intermedia v. GTE	Complaint filed by Intermedia on 8/3/98. The Order issued on 7/30/99 adopted Staff's recommendation that requires GTE to pay reciprocal compensation to Intermedia on ISP-bound traffic. The Staff concluded that neither party intended to exclude ISP-bound traffic from the definition of local traffic, since neither party had a means to measure such traffic. (GTE first proposed to measure ISP-bound traffic on 2/5/98 and its 'measurement' consisted of estimates based on call holding times).	YES	PSC	COMPLAINT	
Florida	#####	<i>Request for arbitration concerning complaint of American Communication Services of Jacksonville, Inc., d/b/a e-spire Communication, Inc. and ACSI Local Switched Services, Inc., d/b/a e-spire Telecommunications, Inc., against BellSouth Telecommunications, Inc., regarding reciprocal compensation for traffic terminated to Internet service providers.</i>	Docket No. 981008-TP	e-spire v. BellSouth	Complaint filed on 8/6/98. The Commission found that the parties did not intend to exclude ISP traffic from the definition of local traffic in the ICA. On 7/8/99, the Commission denied BellSouth's motion for reconsideration of its 4/6/99 Order requiring BellSouth to pay e-spire reciprocal compensation on calls to ISPs.	YES	PSC	COMPLAINT	
Florida	#####		Docket No. 990924-TP	US LEC v. BellSouth	US LEC filed to op into Intermedia/BS ICA.		PSC	ARBITRATION	
Florida	#####		Docket No. 99020-TP	Hyperion v. BellSouth	Hyperion filed to op into MCImetro/BS ICA.		PSC	ARBITRATION	
Georgia	#####	<i>Petition by ICG Telecom Group, Inc., for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc., pursuant to Section 252(b) of the Telecommunications Act of 1996.</i>		ICG v. BellSouth	Issues include recip comp, EELs, provision of packet switched services as UNEs, liquidated damages for failure to meet performance benchmarks, directory listing updates, volume and terms discounts for UNEs.		PSC	ARBITRATION	
Georgia		<i>BellSouth Telecommunications, Inc., v. MCImetro Access Transmission Services, Inc.,</i>	No. 1:99-CV-248-JOF	MCImetro v. BellSouth			PSC		

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Georgia		BellSouth Telecommunications, Inc., v. WorldCom Techs., Inc.	No. 1:99-CV-249-JOF	MFS v. BellSouth			PSC		
Georgia	7/19/99	US LEC has filed petitions seeking collections of withheld recip comp amounts		US LEC v. BellSouth					
Hawaii	5/6/99	In the Matter of Petition of GTE Hawaiian Telephone Company Inc. for a Declaratory Order that Traffic to Internet Service Providers is Interstate and Not Subject to Transport and Termination Compensation	Docket No. 99-0067 Order No. 16975	GTE, AT&T, GST, Sprint, Time Warner	The PUC's Order denied GTE's request for a declaratory ruling filed on 3/23/99 that ISP traffic is not eligible for recip comp. The PUC upheld its previous finding (Docket No. 7702) that reciprocal compensation is to be paid on ISP-bound traffic under existing agreements.	YES	PUC	DECLARATORY RULING	
Illinois	#####			MFS v. AIT, MCImetro v. AIT, TCG v. AIT	On 11/4/97, the ICC consolidated the MFS and MCImetro complaints (filed on 10/9/97 and 10/10/97 respectively) with a complaint filed on 9/8/97 by TCG. Commission issued an Order finding that Ameritech was in violation of its ICAs by nonpayment of reciprocal compensation on ISP-bound traffic. On 3/27/99, AIT filed an appeal and motion to stay with the U.S. District Court for the Northern District of Illinois. The Court issued the requested stay on 5/1/99. On 7/21/99, the Court issued its Opinion on the merits of the appeal and affirmed the ICC's determination that carriers are entitled to reciprocal compensation under the terms of the ICAs.		ICC	COMPLAINT	On 3/27/99, AIT filed an appeal and motion to stay with the U.S. District Court for the Northern District of Illinois.
Indiana	#####	In The Matter Of The Complaint Of Time Warner Communications Of Indiana, L.P. Against Indiana Bell Telephone Company, Inc., d/b/a Ameritech Indiana, For Violation Of The Terms of the Interconnection Agreement, Order on Reconsideration.	Cause No. 41097	Time Warner v. AIT	In an Ordered issued on 2/3/99, the IURC ruled that calls to ISPs are local traffic under the ICA and recip comp shall be paid for termination of such traffic. By this Order on Reconsideration, the IURC denied Ameritech's request for rehearing of its 2/3/99 Decision requiring the payment of reciprocal compensation for ISP traffic.	YES	URC	COMPLAINT	
Maryland	#####	In the Matter of the Complaint of MFS Intelhet of Maryland, Inc. Against Bell Atlantic - Maryland, Inc. for Breach of Interconnection Terms and Request for Immediate Relief.	Case No. 8731 Order No. 7528	MFS v. BA	PSC found that the parties intended for ISP-bound traffic to be "local" and therefore subject to reciprocal compensation arrangements	YES	PSC	COMPLAINT	Complaint filed on 7/13/99 by BA in U.S. District Court for the District of Maryland

STATE RECIPROCAL COMPENSATION DECISIONS

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Massachusetts	5/19/99	Complaint of MCI WorldCom, Inc. against New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for breach of interconnection terms entered into under Sections 251 and 252 of the Telecommunications Act of 1996.	D.T.E. 97-116-C	MFS v. BA	DTE concluded that FCC decision superseded DTE's 1998 order. DTE vacated its 10/21/98 Order. Complaint may be renewed upon claim that contract law or other legal or equitable consideration gives rise to reciprocal compensation obligation for ISP-bound traffic. MCIW filed a Petition for reconsideration on the grounds that the DTE's Decision ignored the relevant contract language, was arbitrary and capricious, incorrect on policy grounds and misconstrued the FCC Order. On or about 8/3/99, legislation has been proposed by Senator Michael Morrissey, Chair of the Government Regulations Committee that classifies calls to ISPs as local calls subject to recip comp unless the ICA specifically says otherwise and frees past due amounts from escrow accounts.	YES	D.T.E.	COMPLAINT	
Michigan		In the matter of the application for approval of an interconnection agreement between CCCMI, Inc., d/b/a CONNECTI, and Ameritech Information Industry Services on behalf of Ameritech Michigan	Case No. U-11886	CONNECTI v. AIT	On 7/19/99, the PSC denied CONNECTI's petition for rehearing of the PSC's rejection of CONNECTI's proposed ICA. On 2/19/99, CONNECTI Filed a "short form" interconnection agreement which AIT refused to sign whereby CONNECTI Attempted to op into the 8/5/96 MFS agreement. CONNECTI's proposed op-in agreement was rejected by the PSC on 3/22/99.		PSC	ARBITRATION	
Minnesota	#####	In the matter of US West's Petition for a determination that ISP traffic is not subject to reciprocal compensation payments under the MFS/US West interconnection agreement.	Docket No. P 421-M99-529	MFS v. US West	The PUC unanimously voted by oral vote on 8/3/99 to dismiss the US West petition which asked the Commission to determine that calls to ISP weren't eligible for recip comp under the MFS/US West ICA. Written opinion will be issued in 3-4 weeks.	NO	PUC	DECLARATORY RULING	
Missouri	#####	In the Matter of the Petition of Birch Telecom of Missouri, Inc. for Arbitration of the rates, terms, Conditions and related arrangements for interconnection with Southwestern Bell Telephone Company.	Case No. TO 99-278	Birch v. SWBT	Arbitration order was issued by the PSC on 4/23/98 which provisionally ordered the parties to treat ISP traffic as local for compensation purposes and deferred final decision on the recip comp issue until the FCC issued its order regarding the nature of ISP traffic. SWBT's 4/23/99 motion for rehearing was denied on 3/9/99. This 4/16/99 Order acknowledges that the dispute between Birch and SWBT has not been resolved by negotiation or the FCC's Order and relieves the parties of any obligation to provide compensation for ISP calls. The parties were ordered to continue tracking calls to ISPs for purposes of a true up at a later point in time.	YES	PSC	ARBITRATION	

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Nevada	#####	In re petition of Pac-West Telecomm, Inc. for arbitration pursuant to Section 252 of the Telecommunications Act of 1996 to establish an Interconnection Agreement with Nevada Bell, (Docket No. 98-10015); In re petition of Advanced Telcom Group, Inc. for arbitration of an Interconnection Agreement with Nevada Bell pursuant to Section 252(b) of the Telecommunications Act of 1996, (Docket No. 99-1007), Order Adopting Revised Arbitration Decision.	Docket Nos. 98-10015 99-1007	Pac-West v. Nevada Bell ATC v. Nevada Bell	PUC overturned the Arbitrator's 3/4/99 Proposed Decision and Ordered that reciprocal compensation shall be paid on ISP-bound traffic under newly arbitrated agreements between Pac-West Telecomm, Inc., and Nevada Bell and between Advanced Telcom Group, Inc and Nevada Bell.	YES	PUC	ARBITRATION	
New Jersey	#####	In the matter of the Petition of Global NAPS Inc., for arbitration of interconnection rates, terms, conditions and related arrangements with Bell Atlantic-New Jersey, Inc., pursuant to Section 252(b) of the Telecommunications Act of 1996.	Docket No. TO98070426 BA	Global NAPS v. BA	Payment of recip comp arose in Global NAPS' attempt to op into the MFS agreement approved on 3/10/97 in Docket Nos. TO96070527 and TO96070526. The Board overruled an Arbitrator's Decision which found that recip comp was payable on ISP-bound traffic in the MFS agreement. The Board cited the Massachusetts Order and determined, based on the FCC's jurisdictional decision, that ISP traffic is interstate traffic not subject to the recip comp provisions of the MFS agreement. Global NAPS' petition to preempt the NJ Board's authority to rule on the arbitration filed at the FCC was rejected on 8/3/99.	YES	BPU	ARBITRATION	On 8/3/99, FCC rejected Petition for Preemption filed by Global NAPS.
New York	#####	Petition of Timely Information Corporation, Pursuant to Section 252(b) of the Telecommunications Act of 1996, for Arbitration to Establish an Interconnection Agreement with Frontier Telephone of Rochester, and Case to Consider any Resulting Interconnection Agreement	Case No. 99-C-0019	Timely v. Frontier	The PSC ruled in the arbitration proceeding that Timely Information Corporation who provides voice mail, fax and local transport services and has a terminating to originating ratio of over 6:1 is entitled to same ICA provisions as other local carriers including the right to receive recip comp on terminating local minutes. The PSC ordered a recip comp rate of \$0.02204 on "all the traffic between the carriers."	YES	PSC	ARBITRATION	
North Carolina	7/19/99	US LEC reported that it had received partial payment of \$11.2 million from BellSouth		US LEC v Bell South	US LEC has filed complaints against CLECs in NC to collect additional amounts		UC	COMPLAINT	
North Carolina	#####	Petition of ITC*DeltaCom for Arbitration of its Interconnection Agreement with BellSouth	Docket No. P 500 Sub 10	ITC*DeltaCom v. BellSouth	Arbitration hearing scheduled for 10/18/99. Disputed items include reciprocal compensation for ISP traffic, pick and choose, extended loops.		UC	ARBITRATION	
North Carolina	#####	Petition by ICG Telecom Group, Inc., for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc., pursuant to Section 252(b) of the Telecommunications Act of 1996.		ICG v. BellSouth	Issues include recip comp, EELs, provision of packet switched services as UNEs, liquidated damages for failure to meet performance benchmarks, directory listing updates, volume and terms discounts for UNEs			ARBITRATION	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Ohio	5/5/1999	In the Matter of the Complaints of ICG Telecom Group, Inc., MCI/Metro Access Transmission Services, Inc. and Time Warner Telecom of Ohio, L.P., v. Ameritech Ohio. Regarding Payment of Reciprocal Compensation.	Case Nos. 97-1557-TP-CSS, 97-1723-TP-CSS, 98-308-TP-CSS	ICG v. AIT, MCI/Metro v. AIT, Time Warner v. AIT	In its Entry on Rehearing issued on 5/5/99, the PUC upheld its previous conclusion that reciprocal compensation is payable for ISP-bound traffic under existing agreements. It also denied AIT's motion for oral arguments on the issue and AIT's motion for a temporary stay. AIT was ordered to pay all past due amounts within 45 days. The Commission's previous recip comp Orders resolving complaints (Case No. 97-1557-TP-CSS issued on 8/27/98 in the ICG case; Case No. 97-1723-TP-CSS issued on 10/14/98 in the MCI/Metro case and Case No. 98-308-TP-CSS issued on 10/14/98 in the Time Warner case) all found that recip comp is due on ISP-bound traffic pursuant to the language of the pertinent ICAs.	YES	PUCO	COMPLAINT	
Ohio	#####	In the Matter of the Joint Filing of Cincinnati Bell Telephone Company and Level 3 Communications, L.L.C. for Approval of an Agreement Pursuant to Section 252 of the Telecommunications Act of 1996.	Case No. 98-1679-TP-NAG	Level 3 v. CBT	Dissent of Commissioner Mason from PUC's decision approving ICA between Level 3 and CBT for not addressing the disputed recip comp issue.		PUCO	ARBITRATION	
Oregon	#####	In the Matter of Petition of Electric Lightwave, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions with GTE Northwest Incorporated, Pursuant to the Telecommunications Act of 1996	Order No. 99-218	Electric Lightwave v. GTE	In its 3/17/99 Order, the Commission accepted the conclusions of the Arbitrator's 2/12/99 Order that calls to ISPs should be treated as local calls and be subject to the reciprocal compensation provisions of the ICA.	YES	PUC	ARBITRATION	
Oregon	4/26/1999	Electric Lightwave, Inc., v. US West Communications, Inc.	Case No. UC 377 Order No. 99-285	Electric Lightwave v. US West	Complaint filed by Electric Lightwave against US West on 11/13/98. Electric Lightwave opted into the MFS/US West agreement. PUC upheld reciprocal compensation for ISP-bound traffic under existing agreements and dismissed US West's Motion to dismiss.	YES	PUC	COMPLAINT	
Rhode Island	#####	NEVD of Rhode Island, LLC Petition For Declaratory Judgement that Internet Traffic Be Treated as Local Traffic Subject to Reciprocal Compensation	Case No. 2935	NEVD of Rhode Island v. BA	Commission ruled that reciprocal compensation is due on ISP-bound traffic pursuant to the NEVD/BA ICA (NEVD opted into the existing Brooks Fiber/BA ICA on or about 9/30/98) and the FCC's 2/26/99 ISP Traffic Order. On 7/27/99, the Commission denied BA's motion to reconsider.	YES	PUC	DECLARATORY RULING	
South Carolina	#####	Petition for Arbitration of ITC/DeltaCom Communications, Inc., with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996.	Docket No. 199259-C	ITC/DeltaCom v. BellSouth	Hearing scheduled for 9/8/99 on ITC's arbitration with BellSouth. Issues include recip comp.		PSC	ARBITRATION	
Tennessee	#####	Petition of NextLink Tennessee, L.L.C. for Arbitration of Interconnection with BellSouth Telecommunications, Inc.	Docket No. 98-00123	NextLink v. BellSouth	The TRA Ordered that recip comp shall be paid on traffic terminated at ISPs.	YES	TRA	ARBITRATION	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Virginia	#####	<i>Petition of Cox Virginia Telecom, Inc.</i>	PUC970069	Cox v. BA	The Virginia Corporation Commission ruled on 10/24/98 in a 6/13/97 complaint filed by Cox Telecom that recip comp was due on ISP-bound traffic. On 3/2/99, BA bypassed the VCC and filed a request for declaratory judgment that, in light of the FCC's ruling that ISP traffic is interstate, (1) MFS was improperly billing BA for recip comp on ISP-bound calls, and (2) recovery of past recip comp amounts paid. WCOM moved to dismiss the court complaint. Pretrial conference is set for 8/19/99.		CC	COMPLAINT	On 3/2/99, BA bypassed the VCC and filed a request for declaratory judgment.
Virginia	#####	<i>Petition of Global NAPS South, Inc. for arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to Section 252 of the Telecommunications Act of 1996</i>	Case No. PUC98-0173	Global NAPS v. BA	On 11/16/98, Global NAPS filed a petition for arbitration to resolve disputed issues including the payment of recip comp on ISP-bound traffic. GNAPS attempted to op into the MFS/BA agreement. On 4/2/99, the SCC issued an Order that failed to resolve the disputed issues including the requirement to pay recip comp on ISP-bound traffic. On 4/21/99 GNAPS filed a motion for Reconsideration which the SCC failed to act on. On 5/27/99, Global NAPS filed a Petition CC Docket No. 198 requesting the FCC to preempt the SCC's jurisdiction under 47 C.F.R. Sec. 51.803(a) over the arbitration between itself and BA. The FCC denied the Preemption Petition on 8/5/99.	YES	SCC	ARBITRATION	Preemption Petition filed at FCC
Virginia	#####	<i>Petition of Starpower Communications, LLC for Declaratory Judgment Interpreting Interconnection Agreement with GTE South, Inc. and Petition of Cox Virginia Telecom, Inc. v. GTE South, Inc. for enforcement of interconnection agreement for reciprocal compensation for the termination of local calls to Internet Service Providers.</i>	Case No. PUC990023 PUC990046	Starpower v. GTE Cox v. GTE	Preliminary Order issued on 6/22/99 called for replies to GTE's 4/24/98 letter and comments on whether the dockets should be consolidated. MCW filed comments on 7/19/99. Background: Starpower filed a petition for declaratory ruling on 2/4/99 seeking to enforce the recip comp provisions of the MFS agreement (Case No. PUC970007, approved 7/9/97) that Starpower was opting into. On 3/18/99, Cox filed a Petition seeking enforcement of the recip comp provisions of its agreement with GTE (Case No. PUC960118, approved 5/1/97 and 5/30/97).	YES	CC	DECLARATORY RULING (Starpower) COMPLAINT (Cox)	
Washington	#####	<i>WorldCom, Inc., f/k/a MFS Intelnet of Washington, Inc. Complainant, v. GTE Northwest Inc., Third Supplemental Order Granting WorldCom's Complaint, Granting Staff's Penalty Proposal, and Denying GTE's Counterclaim.</i>	Docket No. UT-980338	MFS v. GTE	WUTC upheld reciprocal compensation for ISP-bound traffic under the MFS/GTE agreement.	YES	UTC	COMPLAINT	

STATE RECIPROCAL COMPENSATION DECISIONS

DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Washington	##### In the Matter of Petition for Arbitration of an Interconnection Agreement between Electric Lightwave and GTE Northwest.	Docket No. UT-980370	Electric Lightwave v. GTE	The Arbitrator's Decision found that the reciprocal compensation provisions of the ICA should apply equally to all local traffic including that terminated at ISPs.	YES	WUTC	ARBITRATION	
Washington	7/15/99 NEXTLINK WASHINGTON, INC. Complainant v. US WEST Communications, Inc., Respondent	Docket No. UT-990340	NEXTLINK v US West	US West filed comments opposing NEXTLINK's attempt to pick and choose the reciprocal compensation provisions of MFS's ICA.		WUTC	ARBITRATION	
Washington	##### WorldCom, Inc., f/k/a MFS Intelnet of Washington, Inc. Complainant v. GTE Northwest Incorporated Respondent	Docket No. UT-980338	MFS v. GTE	On 5/12/99 the Washington Utilities and Transportation Commission ruled in a formal complaint filed on 8/3/98 by WCOM against GTE that recip comp was payable to MFS pursuant to the language of the ICA. (The ICA was approved on 1/8/97 in Docket UT-960323). GTE was ordered to pay all past due amounts and to continue to pay recip comp at the rates contained in the agreement until a new agreement is in place. On June 4, 1999, GTE filed an appeal and a motion to stay in U.S. District Court for the Western District of Washington. On 6/11/99, the Court denied the stay. Also on 6/11/99, GTE filed an appeal of the Commission's decision in state court. On 6/15/99, GTE complied with the Commission's Order and paid under protest the \$3.7 million due under the ICA.	YES	UTC	COMPLAINT	On June 4, 1999, GTE filed an appeal and a motion to stay in U.S. District Court for the Western District of Washington. On 6/11/99, the Court denied the stay. Also on 6/11/99, GTE filed an appeal of the Commission's decision in state court.
West Virginia	##### Sprint Communications Company, L.P. Petition for a Declaratory Ruling from the Commission on the treatment of calls to Internet service providers	Case No. 99-0166-T-PC	Generic Docket	The Public Service Commission denied Sprint's request to rule that ISP traffic is local and subject to recip comp. The Commission determined that "this petition is not the proper proceeding to address issues relating to the jurisdictional nature of ISP-bound telecommunications traffic."	YES	PSC	DECLARATORY RULING	
STATE	DATE OF ORDER	CITATION	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	
POST-FCC - DECISIONS PENDING								
California	##### In the Matter of the Petition of Pacific Bell for Arbitration of an Interconnection Agreement with MFS/WorldCom Pursuant to Section 252(b) of the Telecommunications Act of 1996.	Application 99-03-047	MFS v. Pac Bell	The Draft Arbitrator's Report Ordered that recip comp shall be paid on ISP exchanged between Pac Bell and MFSW.	have draft arbitrator's report		ARBITRATION	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Connecticut	#####	<i>Application of Southern New England Telephone Company for a Declaratory Ruling Regarding Local Mutual Compensation</i>	Docket No. 99-01-15	Generic Docket	On 1/15/99, SNET filed a request for a Declaratory Ruling that calls to ISPs terminating outside of its local calling areas do not qualify for recip comp. Responses are due on 8/2/99 to the DPUC's information requests that were issued to all facilities-based carriers. Further comments and reply comments are due on 8/16/99 and 8/30/99.	YES	DPUC	DECLARATORY RULING	
Nebraska	#####	<i>In the Matter of the Commission, on its own motion, to conduct an investigation of the interstate or local characteristics of Internet service provider traffic</i>	Case No. C-1960	ICG v. US West	The Commission's Order approving the ICA between ICG and US West subjects calls to IPS to the recip comp provisions. US West filed a complaint against ICG claiming that ICG has failed to pay access charges to US West on calls terminating at ISPs. The Commission has denied ICG's motion to dismiss US West's complaint and will schedule a hearing. The Commission has also opened a generic docket (Case No. FC-1266) to hear evidence on the distinction between local service and exchange access service and the applicability of recip comp on traffic terminated at ISPs.	NO	PSC	COMPLAINT	
Nebraska	#####	<i>In the Matter of US West, Denver, Colorado vs. ICG Communications, Inc., Englewood, Colorado, and NetCom On-Line Communications, Inc., Atlanta, Georgia, for a Declaratory Ruling that US West's Access Service Catalog applies to ICG's intrastate interexchange services</i>	Case No. FC-1266	Generic Docket	The Commissions Order approving the ICA between ICG and US West subjects calls to IPS to the recip comp provisions. US West filed a complaint against ICG claiming that ICG has failed to pay access charges to US West on calls terminating at ISPs. The Commission has denied ICG's motion to dismiss US West's complaint and will schedule a hearing. The Commission opened this generic docket to hear evidence on the distinction between local and exchange access service and to consider the applicability of recip comp to traffic terminated at ISPs.	NO	PSC	COMPLAINT	
New Hampshire	#####	<i>Complaint Against Bell Atlantic Regarding Reciprocal Compensation AND Petition for Declaratory Judgment that Internet Traffic be Treated as Local Traffic Subject to Reciprocal Compensation</i>	DT 99-081 DT 99-085	Global NAPS v. BA NEVD v. BA	The Commission's 7/8/99 Order scheduled a prehearing conference on 7/27/99. The GNAPS complaint (Docket No. DT 99-081) and the NEVD Petition for Declaratory Ruling were consolidated by the Commission to hear all evidence on the applicability of recip comp to ISP-bound traffic. The schedule calls for testimony on 9/30/99 and hearings on November 2-4.	YES	PUC	COMPLAINT DECLARATORY RULING	

STATE RECIPROCAL COMPENSATION DECISIONS

DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
New York #####	Comments on Costs and Rate Structures Applicable to Large-Volume Call Termination to Single Customers.	Case 98-C-1273 Case 98-C-1479 Case 98-C-C-0657	ACC v. BA	Recip comp issue arose in the context of a case involving ACC National Telecom Corp, a chatline service provider. On 2/4/99, the PSC issued an Order directing carriers to file tariffs that permit blocking of chatline services. BA used case to file comments regarding the payment of recip comp in unbalanced traffic situations.	YES	PSC	GENERIC DOCKET	
New York #####	Proceeding on Motion of the Commission to Reexamine Reciprocal Compensation	Case 99-C-0529	Generic Docket	Docket created to reexamine issue of recip comp in response to Challine Docket (Case 98-C-1273) and filings by BA. PSC expects to issue a final Order in August 1999.	YES	PSC	GENERIC DOCKET	
New York #####	Petition of MCI WorldCom Communications, Inc. For Enforcement of Its Interconnection Agreement With New York Telephone Company.	Case 99-C-??	MFS v. BA	Complaint was filed in response to BA's 1/21/99 letter stating its intention to unilaterally reduce the recip comp rate.		PSC	COMPLAINT	
Ohio #####	Petition to Investigate the Treatment of Reciprocal Compensation for Internet Service Provider Traffic	Case No. 99-TP-COI	Time Warner NEXTLINK CorCom	Generic petition filed by Time Warner, NEXTLINK and CoreCom requesting the Commission to open a generic proceeding to determine that ISP traffic is local traffic and subject to the recip comp provisions of the ICAs.	NO	PUC	GENERIC DOCKET	
Ohio #####			Time Warner v. CBT	Complaint filed by Time Warner against CBT for non-payment of recip comp on calls to ISPs. Hearings held during week of 7/30/99. Briefs are due during week of 8/6/99. Decision expected in Oct-Nov period. The Time Warner/CBT agreement contains language similar to that contained in the Ameritech agreements which the Commission has already determined requires the payment of recip comp on ISP-bound traffic and identical to that contained in the MCI/metro/CBT agreement.	NO	PUC	COMPLAINT	
Pennsylvania #####	Petition of Senators Vincent J. Furno, Roger A. Madigan and Mary Jo White, Pennsylvania Cable & Telecommunications Association and Seven Competitive Local Exchange Carriers for Adoption of Partial Settlement Resolving Telecommunications Issues	Docket No. P 00991648	Generic Docket	The CLEC Coalition filed an alternative to the BA settlement offer that resolves the "global" issues before the PUC. The CLEC Petition asks the PUC to rule that recip comp is required for termination of traffic to ISPs unless ICAs specifically identify ISP traffic as exempt from the recip comp provisions of the ICA.	NO	PUC	GENERIC DOCKET	
Rhode Island #####		Docket No. 2860	Generic Docket	Generic Docket was opened to monitor the FCC's actions on recip comp.	NO	PUC	GENERIC	

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Rhode Island	#####			Global NAPS v. Bell Atlantic	Complaint filed by Global NAPS against BA for non payment	NO	PUC	COMPLAINT	
Tennessee	#####	Petition for Arbitration Pursuant to 47 U.S. G. Section 252(b).	Docket No. 99-00447	US LEC v. BellSouth	Arbitration petition filed by US LEC seeks a determination that recip comp is payable on ISP-bound traffic.	NO	TRA	ARBITRATION	
Tennessee			Docket No. 99-00377	ICG v. BellSouth	Arbitrating whether ISP traffic is local traffic and subject to the recip comp provisions of the ICA.	NO	TRA	ARBITRATION	
Tennessee			Docket No. 99-00430	ITC v. BellSouth	Arbitrating whether ISP traffic is local traffic and subject to the recip comp provisions of the ICA.	NO	TRA	ARBITRATION	
Tennessee	#####	Petition of Time Warner Telecom of the Mid-South, L.P. for Mediation with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996	Docket No. 99-00500	Time Warner v. BellSouth	Determination that ISP traffic is local and subject to the reciprocal compensation provisions of the ICA is one of the arbitration issues. Time Warner has asked the TRA to consolidate its case with the arbitration petitions filed by ICG (Docket No. 99-00377) and ITC DeltaCom (Docket No. 99-00430) since the same issues are being arbitrated in all of the cases.		TRA	ARBITRATION	
Washington	#####	NEXTLINK Washington, Inc., Petitioner v. US West Communications, Inc. Respondent	UT-99-0340	NEXTLINK v. US West	ALJ is expected to issue a Recommended Decision on 8/12/99 in an interconnection agreement enforcement action brought by NEXTLINK against US West. NextLink has opted into the MFS/US West agreement approved in Docket UT-96-0323.	YES	UTC	COMPLAINT	
West Virginia	#####	Petition of Bell Atlantic-West Virginia, Inc. for Declaratory Order that Internet Traffic is not "Local" Traffic subject to Reciprocal Compensation	Case No. 99-0426-T-P	Generic Docket	BA's Petition filed on 3/26/99, claims that the FCC's jurisdictional ruling that ISP calls are not local calls means that recip comp does not apply. The Commission issued an Order on 7/23/99 setting out the agenda and schedule: hearings-9/9/99, briefs-9/24/99, replies-10/1/99.	YES	PSC	DECLARATORY RULING	
COURT CASES									
Colorado	#####	US West Communications, Inc. v. Hix	No. 97-D-152	Hix v. US West	Colorado PSC ruled on 11/5/96 in Arbitration between MFS and US West that reciprocal compensation shall be paid on ISP-bound traffic. On 1/24/97 US West filed action in U.S. District Court challenging PSC's decision. Court arguments deferred until atleast 11/99		U S District Court-District of Colorado		

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Delaware	#####				On 3/9/99 an Arbitrator's ruling was issued permitting Global NAPS to opt into the MFS Agreement (Docket No. 98-540, Order No. 5092) which requires the payment of reciprocal compensation on ISP-bound traffic. On 5/11/99 the PSC upheld the Arbitrator's ruling. On 7/29/99, BA brought a suit to the U. S. District Court in Wilmington, DE seeking to overturn the Commission's ruling.		U. S. District Court in Wilmington, DE	ARBITRATION	
Florida		<i>BellSouth Telecommunications, Inc. v. WorldCom Techs., Inc.</i>	No. 4:98-CV-352-RH	WCOM v. BellSouth	On 9/15/98 the Florida PSC ruled on behalf of MFS, MCImetro and other CLECs that reciprocal comp was payable on ISP-bound traffic. BellSouth appealed ruling to U.S. District Court for the Northern District of Florida. On 6/1/99, the Court denied BS's motion for stay. No parallel State Court action taken by BS. Briefs filed in U.S. District Court on 7/16/99. Oral arguments are scheduled for 7/29/99.	ORDER DENY'ING MOTION FOR STAY	U.S. District Court for the Northern District of Florida		
Georgia	#####	<i>BellSouth Telecommunications, Inc. Plaintiff v. WorldCom Technologies, Inc., et al. Defendants.</i>	No. 1:99-CV-0249-JOF	MFS v. BellSouth	From Georgia Docket No. 8196-U. Emergency Motion filed by BellSouth was granted. The Court Ordered BellSouth to escrow all amounts billed by MFS plus interest and late fees.	YES	U.S. District Court for the Northern District of Georgia, Atlanta Division		
Georgia	#####	<i>BellSouth Telecommunications, Inc., Plaintiff v. MCImetro Access Transmission Services, Inc., Georgia Public Service Commission, Defendants.</i>	No. 1:99-CV-0248-JOF	MCI v. BellSouth	From Georgia Docket No. 6865-U. Emergency Motion filed by BellSouth was granted. The Court Ordered BellSouth to escrow all amounts billed by MCI plus interest and late fees. The Court also found that BellSouth has not demonstrated that it is likely to prevail on the merits of the case.	YES	U.S. District Court for the Northern District of Georgia		
Illinois	#####	<i>Illinois Bell Telephone Co. d/b/a Ameritech v. WorldCom Technologies, Inc.</i>	Docket No. 98-4080	WorldCom v. AIT	On June 19, 1999, the US Court of Appeals for the 7th Cir. affirmed the Illinois Commerce Commission's decision ordering Ameritech to pay reciprocal compensation to AT&T for ISP traffic.	YES	7th Circuit, US Court of Appeals		

STATE RECIPROCAL COMPENSATION DECISIONS

DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Illinois	##### Illinois Bell Telephone Company d/b/a Ameritech Illinois, Plaintiff v. WorldCom Technologies, Inc., as a successor in interest to MFS Telecommunications Corporation and MCI Metro Access Transmission Services, Inc., AT&T Communications Corporation of Illinois, Inc., and Focal Communications Corporation and Dan Miller, Richard Kolhauser, Ruth Kretschmer, Karl McDermott and Brent Bohlen, Commissioners of the Illinois Commerce Commission.	No. 98 C 1925	MFS v. AIT, MCI Metro v. AIT, AT&T v. AIT, Focal v. AIT, ICC v. AIT	On 11/4/97, the ICC consolidated the MFS and MCI Metro complaints (filed on 10/9/97 and 10/10/97 respectively) with a complaint filed on 9/8/97 by TCG. Commission issued an Order finding that Ameritech was in violation of its ICAs for nonpayment of reciprocal compensation on ISP-bound traffic. On 3/27/99, AIT filed an appeal and motion to stay with the U.S. District Court for the Northern District of Illinois. The Court issued the requested stay on 5/1/99. On 7/21/99, the Court issued its Opinion on the merits of the appeal and affirmed the ICC's determination that carriers are entitled to reciprocal compensation under the terms of the ICAs.	YES	U.S. District Court for the Northern District of Illinois		
Maryland	##### BellAtlantic-Maryland, Inc. Plaintiff v. American Communications Services of Maryland, Inc. d/b/a e.spire	99CV2061	BA v. e.spire	Filed in response to the Maryland Commission's Order on Case No. 8731, issued on 6/11/99 that orders the payment of recip comp on calls to ISPs.		U.S. District Court for the District of Maryland		
Michigan	Ameritech Michigan v. MFS Intelenet, Inc.	No. 5:98-CV-18		PSC ruled on 1/28/99 in Case Nos. U-1178, U-11502, U-11522 and U-11553 that recip comp is due on ISP-bound traffic pursuant to the language of the respective ICAs. Case was initiated by 8/21/97 motion for a declaratory ruling and resolution of complaint filed by TCG and was consolidated with complaints filed by MFS (Case No. U-11522, filed on 9/18/97), MCI Metro (Case No. U-11544, filed on 10/7/97), and Brooks Fiber (Case No. U-11553, filed on 10/8/97) consolidating several individual CLEC complaints against Ameritech. Ameritech appealed the PSC's Decision to U.S. District Court for the Western District of Michigan (Motion for Stay denied on 2/11/99) and to the Michigan Court of Appeals. The Appeals Court case was dismissed and AIT took that decision to the Michigan Supreme Court.	ORDER DENYING MOTION FOR RESTRAINING ORDER	U.S. District Court for the Western District of Michigan		

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	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Michigan					PSC ruled on 1/28/99 in Case Nos. U-1178, U-11502, U-11522 and U-11553 that recip comp is due on ISP-bound traffic pursuant to the language of the respective ICAs. Case was initiated by 8/21/97 motion for a declaratory ruling and resolution of complaint filed by TCG and was consolidated with complaints filed by MFS (Case No. U-11522, filed on 9/18/97), MCImetro (Case No. U-11544, filed on 10/7/97), and Brooks Fiber (Case No. U-11553, filed on 10/8/97). consolidating several individual CLEC complaints against Ameritech. Ameritech appealed the PSC's Decision to U.S. District Court for the Western District of Michigan and to the Michigan Court of Appeals. The Appeals Court case was dismissed and AIT took that decision to the Michigan Supreme Court.		Michigan Court of Appeals		
Minnesota	#####	US West Communications, Inc. Plaintiff vs. Minnesota Public Utilities Commission; AT&T Communications of the Midwest, Inc.; and MFS Communications Company, Inc., Defendants	File No. Civ. 97-913 ADM/AJB	US West v. MFS	On 3/30/99 the Court denied US West's Motion for Leave to File a Supplemental Brief.	YES	U.S. District Court-District of Minnesota		
North Carolina	#####	BellSouth Telecommunications, Inc., Plaintiff vs. Intermedia Communications, Inc. and the North Carolina Utilities Commission, Defendants	3:99CV05-MU	US LEC, InterMedia, MCIW	Remanded back to North Carolina Utilities Commission its Orders requiring BellSouth pay recip comp on ISP-bound traffic to US LEC, InterMedia and MCIW. Basis of remand is the jurisdictional ruling of the FCC's 2/26/99 ISP Traffic Order. Judge also returned to BellSouth \$12.5 million of withheld payments held in escrow.	ORDER GRANTING STAY	U.S. District Court for the Western District of North Carolina, Charlotte Division		
North Carolina	#####	BellSouth Telecommunications, Inc. v. MCImetro Access Transmission Services, Inc.,	No. 3:99-CV-97-MU	MCImetro v. BellSouth	On 2/10/99, the commission ruled that BellSouth is required to pay MCImetro reciprocal compensation on traffic terminated to ISPs. BellSouth appealed the Decision to the U.S. District Court for the Western District of North Carolina. The Federal Court dismissed the suit on 5/21/99 and remanded the matter back to the Utilities Commission.	NO	U.S. District Court for the Western District of North Carolina		

STATE RECIPROCAL COMPENSATION DECISIONS

	DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Ohio		Ohio Bell Tel. Co. v. ICG Telcom Group, Inc.,	No. C2-99-522	ICG v. AIT	In its Entry on Rehearing issued on 5/5/99, the PUC upheld its previous conclusion that reciprocal compensation is payable for ISP-bound traffic under existing agreements. It also denied AIT's motion for oral arguments on the issue and AIT's motion for a temporary stay. AIT was ordered to pay all past due amounts within 45 days. The Commission's previous recip comp Orders resolving complaints (Case No. 97-1557-TP-CSS issued on 8/27/98 in the ICG case; Case No. 97-1723-TP-CSS issued on 10/14/98 in the MCmetro case and Case No. 98-308-TP-CSS issued on 10/14/98 in the Time Warner case) all found that recip comp is due on ISP-bound traffic pursuant to the language of the pertinent ICAs. AIT appealed the PUC decision on 6/11/99.		U.S. District Court for the Southern District of Ohio		
Oklahoma		Southwestern Bell Tel. Co. v. Brooks Fiber Communications, Inc.,	No. 98-CV-468-k(J)	Brooks Fiber v. SBC	The Oklahoma Corporation Commission ruled in favor of Brooks Fiber in its dispute with SBC. SBC appealed to the U.S. District Court for the Northern District of Oklahoma and also filed an appeal at the State's Supreme Court. The state court appeal was dismissed by the Oklahoma Supreme Court.		U.S. District Court for the Northern District of Oklahoma		
Oregon	#####	US West Communications, Inc. v. WorldCom Technologies, Inc.	Civil No. 97-857-JE	WCOM v. US West	The Court upheld the Commission's decision in the arbitration case by finding that the requirement to pay recip comp on ISP-bound traffic does not violate the Act or any binding FCC regulation.	YES	Federal District Court	ARBITRATION	
Tennessee		BellSouth Telecommunications, Inc., v. Brooks Fiber Communications, Inc.	No. 3:98-0811	Brooks Fiber v. BellSouth	The Tennessee Regulatory Authority ruled that reciprocal compensation is payable on ISP-bound traffic. On 9/1/98, BellSouth filed an appeal in U.S. District Court for the Middle District of Tennessee, and on 9/18/98 filed a motion to stay the TRA's Decision.		U.S. District Court for the Middle District of Tennessee		
Texas	#####	Southwestern Bell Tel. Co. v. Public Utilities Commission of Texas, Time Warner and Fibercom.	No. MO-98-50787	PUC v. SBC	The Texas Public Utilities Commission ruled in favor of Time Warner by finding that recip comp is due on ISP-bound traffic. SBC filed suit in U.S. District Court for the Western District of Texas. SBC filed preliminary injunction on 4/1/98 in the U.S. District Court, which was denied by the Court on 4/16/98. On June 16, 1998, the Court affirmed the PUC's Decision. SBC appealed the District Court Decision to the Fifth Circuit Court.	ORDER DENYING PRELIMINARY INJUNCTION	U.S. District Court for the Western District of Texas		

STATE RECIPROCAL COMPENSATION DECISIONS

DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Virginia	##### Bell Atlantic-Virginia v. WorldCom Techs., Inc.	No. 99-275-A	MFS v. BA	The Virginia Corporation Commission ruled in a complaint filed by Cox Telecom that recip comp was due on ISP-bound traffic. On 3/2/99, BA bypassed the VCC and filed a request for declaratory judgment that, in light of the FCC's ruling that ISP traffic is interstate; (1) MFS was improperly billing BA for recip comp on ISP-bound calls, and (2) recovery of past recip comp amounts paid. WCOM moved to dismiss the court complaint. On 7/1/99, the Court granted WCOM's Motion to Dismiss.	YES	U.S. District Court for the Eastern District of Virginia		
Washington	GTE Northwest, Inc. v. WorldCom Techs., Inc.	No. C99-912C	MFS v. GTE	On 5/12/99 the Washington Utilities and Transportation Commission ruled against GTE that recip comp was payable to MFS pursuant to the ICA. On June 4, 1999, GTE filed an appeal and a motion to stay in U.S. District Court for the Western District of Washington. On 6/11/99, the Court denied the stay. Also on 6/11/99, GTE filed an appeal of the Commission's decision in state court. On 6/15/99, GTE complied with the Commission's Order and paid under protest the \$3.7 million due under the ICA.	ORDER DENYING MOTION FOR STAY	U.S. District Court for the Western District of Washington		
Washington	##### US West Communications, Inc. v. MFS Intelenet, Inc.	No. 98-1315	MFS v. US West	On 11/8/96 the Washington Utilities and Transportation Commission issued an order in the US WEST/MFS arbitration case and ruled that recip comp is payable on ISP-bound traffic. On 2/7/97, US West challenged the WUTC Decision in the U.S. District Court for the Western District of Washington. On 1/7/98 the Court granted a summary judgment in favor of WCOM. On 2/5/98, US West filed a notice of appeal in the U.S. Court of Appeals for the Ninth District. The Appellate Court case has been briefed and remains pending without a decision.	SUMMARY JUDGMENT	U.S. District Court for the Western District of Washington		

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DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
Wisconsin	Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin, Plaintiff v. TCG Milwaukee, Inc. Public Service Commission of Wisconsin, defendant and Time Warner, Intervenor	98-C-366-C	TCG v. AIT	In PSC Docket 5837-TD-100, the Commission ruled that calls to ISPs constitute local traffic under the ICA and are subject to the recip comp provisions of the ICA. The Commission ordered Ameritech to immediately pay all past due recip comp amounts with interest within 10 days and resume recip comp payments in accordance with the ICA. AIT filed in U.S. District Court for permission to post bond in lieu of payment. Request was denied by the Court. AIT moved for reconsideration of the Court's decision which was denied by Order of the Court issued on 8/11/98.	ORDER DENYING RECONSIDERATION OF DECISION DENYING REQUEST TO POST BOND IN LIEU OF PAYMENT	U.S. District Court for the Western District of Wisconsin		
FCC CASES								
Virginia	Petition of Global NAPS South, Inc. for Preemption of the Jurisdiction of the Virginia State Corporation Commission Pursuant to Section 252(e)(5) of the Telecommunications Act of 1996	CC Docket No. 198	Global NAPS v. BA	On 11/16/98, Global NAPS filed a petition for arbitration to resolve disputed issues including the payment of recip comp on ISP-bound traffic. GNAPS attempted to opt into the MFS/BA agreement. On 4/2/99, the SCC issued an Order that failed to resolve the disputed issues including the requirement to pay recip comp on ISP-bound traffic. On 4/21/99 GNAPS filed a motion for Reconsideration which the SCC failed to act on. On 5/19/99, Global NAPS filed a Petition requesting the FCC to preempt the SCC's jurisdiction under 47 C.F.R. Sec. 51.803(a) over the arbitration between itself and BA. (CC Docket No. 198). The FCC rejected Global NAPS' Petition for Preemption on 8/5/99.	YES	FCC	ARBITRATION	Preemption Petition filed at the FCC: re Virginia CC Case No. PUC 98-0173.

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DATE OF ORDER	CITATION	DOCKET No.	PARTIES	COMMENT	HAVE ORDER	Authority	TYPE OF CASE	FURTHER LITIGATION
New Jersey #####	<i>In the matter of Global NAPS Inc. Petition for Preemption of Jurisdiction of the New Jersey Board of Public Utilities Regarding Interconnection Dispute with Bell Atlantic-New Jersey, Inc.</i>	Docket No. TO98070426 BA	Global NAPS v. BA	Payment of recip comp arose in Global NAPS' attempt to op into the MFS agreement approved on 3/10/97 in Docket Nos. TO96070527 and TO96070526. The Board overruled the Arbitrator's 10/26/98 Decision which found that recip comp was payable on ISP-bound traffic in the MFS agreement. In its 7/12/99 Order, the Board cited the Massachusetts Order and the FCC's jurisdictional decision and determined that ISP traffic is interstate traffic not subject to the recip comp provisions of the MFS agreement. Global NAPS' petition to preempt the NJ Board's authority to rule on the arbitration filed on 5/5/99 at the FCC (CC Docket No. 99-154) was rejected on 8/3/99.	YES	FCC	ARBITRATION	Petition for Preemption filed at the FCC: re NJ Docket No. TO 98-07046.